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UN ENVOY DENOUNCES SRV PROPOSAL ON KAMPUCHEA

OW301059 Beijing XINHUA in English 1031 GMT 30 Oct 84

["Chinese Ambassador Condemns Vietnamese Plan for Kampuchea" -- XINHUA headline]

[Text] United Nations, October 29 (XINHUA) -- Chinese Ambassador Ling Qing pointed out today that the Vietnamese proposals for "partial withdrawal," "negotiations" and "international conference" "are designed solely for the purpose of imposing the fait accompli of its invasion and occupation of Kampuchea." Speaking at the U.N. General Assembly, the Chinese permanent representative to the United Nations noted that the new proposal "only shows that the Vietnamese authorities have to turn to political tricks to get what they have failed to achieve militarily, as they have been unable to wipe out the Kampuchean resistance forces in the battlefield".

Ling said the Vietnamese authorities so far have failed to make any commitment on troop withdrawal from Kampuchea, though they have spoken a lot about it. "Everybody knows that Vietnam's 'partial withdrawal' is but a farce, a rotation of troops," he said. He added that Vietnam's promise about "withdrawing most Vietnamese troops in five to ten years" was tantamount to indicating that "Vietnam does not feel its six-year armed occupation of Kampuchea is long enough and so will continue its occupation till the last years of this century. In other words, only after it realizes its plan of the 'Vietnamization of Kampuchea' according to its wishful thinking, would Vietnam deem it unnecessary to station troops in Kampuchea."

"If Vietnam really is sincere about troop withdrawal," Ling asked, "why does it not declare straightforwardly that it is ready to pull out its occupation troops in the shortest period possible, completely and unconditionally?" On Vietnam's so-called "new proposals" for holding "dialogue" and an "international conference, Ling said, "is vietnam really keen on a negotiated settlement of the Kampuchean question? Indeed, it has no sincerity but rather a desire or conspiracy."

Ling Qing said, "any political solution to the Kampuchean problem must be predicated on the total withdrawal of Vietnamese troops. This has long been provided for in the resolutions of the U.N. General Assembly and the declaration of the international conference on Kampuchea."

"It is precisely on this crucial issue that Vietnam has to this day refused to undertake any commitment. We should like to ask: Since Vietnam has turned a deaf ear to and refused to accept the reasonable demands of the overwhelming majority of U.N. member states, including the ASEAN countries, will it then regard an international conference of any other scope as having any binding force on it? Furthermore, either dialogue or negotiations on the Kampuchean question should logically be held first of all with the victimized party of Kampuchea and not exclusively with the ASEAN countries. Vietnam not only refuses to undertake any commitment to withdraw its troops, but attempts to bypass the Coalition Government of Democratic Kampuchea," he said.

The Vietnamese proposals, he stressed, "are designed solely for the purpose of imposing the fait accompli of its invasion and occupation of Kampuchea on the international community and legitimizing the puppet regime in Phnom Penh. People who wish to seek a reasonable solution to the Kampuchean problem will never be fooled by such a trick."

Speaking of the Vietnamese authorities' condition for their troop withdrawal from Kampuchea on the exclusion of one of the Kampuchean resistance forces, Ling Qing said: "This is as absurd as a burglar breaking into a house and insisting that he will not leave unless the owner is 'excluded'." He said that the exclusion of any of the three resistance forces would be in essence an attempt to split the united patriotic forces of Kampuchea, disarm the victims of aggression and thus weaken and eventually put out the struggle of the Kampuchean people against Vietnamese aggression.

Accusing Vietnam of repeating its platitude of the so-called "China threat", Ling Qing noted that Vietnam's allegation that China waged a war of aggression from the southwest through Democratic Kampuchea was a fabrication. "We do not want to see the Kampucheans and the Vietnamese at war. The war in Kampuchea is not provoked by China; it is the sole making of Vietnam. China sincerely hopes to see Kampuchea maintain peaceful, friendly and good-neighborly relations with all neighboring countries, including Vietnam. To bring about such good-neighborly relations, it is, above all, necessary for Vietnam to pull back its troops from Kampuchea so as to remove the real 'threat' to Kampuchea. Evidently, Vietnam can not justify its procrastination in troop withdrawal by using the so-called 'China threat' as a pretext," the Chinese ambassador said.

Ling stated, China is resolutely opposed to Vietnam's aggression and all its political schemes, and sincerely hopes that the Kampuchean question can be settled in a fair and reasonable way. The key to the settlement of the Kampuchean question lies in Vietnam's withdrawal of all its troops. After the troops withdrawal, the political system and government structure of Kampuchea as well as the destiny of its people should be determined by the Kampuchean people themselves, free from outside interference, Ling said.

UN ENVOY URGES END TO ISRAELI EXPANSION

OW261051 Beijing XINHUA in English 0641 GMT 26 Oct 84

[Text] United Nations, October 25 (XINHUA) -- The fundamental way to solve the problem of the Palestinian refugees is to stop the Israeli aggression and expansion, force Israel to withdraw from the occupied Arab territories and restore to the Palestinian people their national rights, a Chinese representative said at a U.N. meeting here today. Sun Yixian, head of the Chinese delegation to the U.N. Military Staff Committee and military adviser to the Chinese Mission, made the remarks at a special political committee meeting on United Nations Relief and Works Agency for Palestine Refugees (UNRWA) in the Near East.

He said that the miserable situation of these refugees has continued because of the unreasonable obstructions and all kinds of sabotage by the Israeli authorities. He pointed out that the Israeli authorities were, in a planned way, driving out 100,000 Palestine refugees from their camps in the West Bank and the Gaza Strip, in an attempt to create a fait-accompli so as to annex Arab and Palestine territories.

He drew special attention of the committee to the fact that the question of the Palestinian refugees "is not merely a question of humanitarian relief, but more importantly, a political question." The Chinese representative said if Israel truly wanted peace it must change its course, renounce its policy of aggression and expansion and withdraw from the occupied territories.

He added that the inalienable rights of the Palestinian people, including the right to return to their homeland and to establish their own state, should be respected. "Only in this way can the question of the Middle East have a just and lasting solution", he said.

SPORTS MINISTER MEETS ETHIOPIAN IOC OFFICIAL

OW291447 Beijing XINHUA in English 1431 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Li Menghua, minister of the Chinese Physical Cultural and Sports Commission, met with Yidnekatchew Tessema, Ethiopian member of the International Olympic Committee and president of the African Football Federation, and his wife here this evening.

Afterwards Li Menghua gave a dinner for them. Among those present was He Zhenliang, Chinese member of the I.O.C. It is the third time for Mr. Yidnekatchew Tessema to visit China. He had visited Shanghai, Wuxi and Hangzhou after arriving in China on October 22.

INTERNATIONAL SPORTS GROUP MEETS IN BEIJING

OW271630 Beijing XINHUA in English 1620 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- The Asian Pacific and Oceania Sports Assembly (APOSA) held its congress here yesterday with delegates from 20 Asian and Oceanian nations and regions participating. Also present on the occasion were non-voting delegates from the DPRK, Kampuchea and Guam.

The congress, presided over by He Zhengliang, acting president of the APOSA, discussed mainly the APOSA's plan for future work and heard a report given by the Japan Athletics Association on preparations for the third APOSA study group scheduled for next year. The delegates expressed their thanks to the All-China Sports Federation for its warm hospitality and its efforts made for holding the current "sports school" study session.

FANG YI MEETS TUNNELLING ASSOCIATION HEADS

OW261427 Beijing XINHUA in English 1327 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- State Councillor Fang Yi met here this afternoon J.K. Lemley, president of the Executive Council of the International Tunnelling Association, and other Executive Council members of the association. The group has attended the Beijing International Colloquium on Tunnelling and Underground Works which closed yesterday.

RENMIN RIBAO ON CIA MANUAL FOR NICARAGUAN FORCES

HK270154 Beijing RENMIN RIBAO in Chinese 26 Oct 84 p 7

["International Jottings" by Fang Qiu: "Embarrassment Is Difficult To Avoid"]

[Text] The existence of a manual by the CIA of the United States instructing the anti-government armed forces in Nicaragua to carry out political assassinations was recently revealed by the press. This has embarrassed Reagan, who is deeply engrossed in running for the presidency. He promised he would dismiss from their posts those officials who had been involved in the plot once their identities were revealed.

Since the occurrence of the two explosions at the U.S. Embassy in Beirut, the United States has exerted vigorous efforts to oppose terrorism throughout the world. However, the CIA has stimulated other people to carry out assassinations. This is truly an embarrassing situation.

When we carefully contemplate this matter, we discover that this is not an accidental phenomenon. The United States has always regarded the Nicaraguan Government as its enemy, and has wantonly implemented a policy of control, interference, and even armed threat in Central America. More than 2 years ago it approved the CIA plan to unleash a "secret war" in Nicaragua. Once this "green light" has been turned on, the CIA can resort to any conceivable means for its ends. Therefore, for the past 2 years or so, although the United States has repeatedly expressed the hope of solving the problem of Central America through peaceful means, successive troubles have ensued. The United States has been frequently placed in a self-contradictory and embarrassing position because of this.

There is a saying contained in the "Dream of the Red Chamber": It is difficult for people in an embarrassing position to avoid embarrassment. If the United States fails to completely change its policy toward Central America, it will be difficult for the country to avoid embarrassment.

LI PENG MEETS U.S. ELECTRONICS FIRM DELEGATION

OW270758 Beijing XINHUA in English 0751 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Chinese Vice-Premier Li Peng met a delegation from the Gould Electronics, a firm in the United States, led by Vice-Chairman of the Board D. Simpson here today. They had a friendly talk on expanding cooperation between China and the firm.

Firm Opens Beijing Office

OW291740 Beijing XINHUA in English 1644 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Gould Inc., the international electronics firm based in Illinois, the United States, opened a corporate office here today. Leading officials from China's industrial and economic circles attended the opening ceremony tonight. Speaking at the ceremony, David Simpson, Gould vice chairman of the board, and Zhao Mingsheng, Chinese vice-minister of the machine-building industry, expressed the hope that economic and technological cooperation between China and the firm would grow. Gould develops, manufactures and markets electronic systems, products and components. Its Beijing office will coordinate business contacts between Gould's four electronics business segments and Chinese Government industrial ministries.

LIU JIE, LEADERS MEET VISITING YALE PROFESSOR

HK270843 Zhengzhou Henan Provincial Service in Mandarin 2300 GMT 25 Oct 84

[Excerpt] Dr Zhao Haosheng, professor of Yale University in the United States and honorary professor of Zhengzhou University's Journalism Department, has come on invitation to the province to give lectures. Yesterday morning, Liu Jie, Liu Zhengwei, He Zhukang, Song Yuxi, and other leading comrades met and held a banquet to receive him. In addition, they all held a cordial conversation. In the course of the meeting, Mr Zhao talked freely about his impressions of the National Day celebrations in Beijing. He also expressed regret over the recent murder case of Liu Yiliang, a Chinese writer residing in the United States.

Zhao Haosheng has come to Henan three times this year for cultural and educational undertakings, as well as for foreign economic affairs in his hometown. Leading comrades such as Liu Jie, Liu Zhengwei, and He Zhukang have expressed appreciation for his enthusiasm.

SINO-U.S. OIL DRILLING SERVICE COMPANY FORMED

OW261105 Beijing XINHUA in English 1031 GMT 26 Oct 84

[Text] Guangzhou, October 26 (XINHUA) -- The first Sino-U.S. mud service company opened for business here on Thursday. The China Nanhai-Magcobar Mud Corporation Ltd. was established by the Nanhai Western Petroleum Corporation of the China National Offshore Oil Corporation (CNOOC) and Magcobar Group of Dresser Industries Incorporated of the United States.

The Guangzhou-based company will offer technical services for oil drilling operations both inside and outside China. It will also supply mud products, instruments, equipment and accessories to companies drilling offshore China. The ten-year joint company has a registered capital of one million U.S. dollars, with Chinese and American partners each contributing 50 percent.

SOVIET PAINTING EXHIBITION OPENS IN BEIJING

OW291409 Beijing XINHUA in English 1300 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Pictures by 50 noted painters on life and landscape in the Soviet Union are featured at a Soviet contemporary painting exhibition unveiled here today at the Beijing exhibition center. The two-week show, the first of its kind since 1965, is being held in accordance with a Sino-Soviet agreement on exchange of art exhibitions. A reciprocal Chinese painting exhibition is being held in the Soviet Union.

The 60-odd paintings on display, mostly oils, depict a wide range of subject matter beginning with "News From the Home Village" which shows Lenin, the great proletarian revolutionary leader and founder of the Soviet State, talking with soldiers who have just received a letter from home.

Other subjects include sail boats on the Baltic Sea, thick forests, a rural wedding, and massive dams, as well as portraits of Soviet generals, writers and young students. Many of the painters hold the title of "People's Artist," and some are winners of the Lenin Prize.

Interviewed at the exhibition, Jin Shangyi, vice-president of the Central Academy of fine arts, who studied under the guidance of a Soviet teacher in the mid-1950s, said that the works demonstrated a great development in Soviet fine art which has inherited the critical realism of the 19th century.

Speaking at today's opening ceremony, An Jing, manager of the China Exhibition Agency, said he believed that the two exhibitions would play a positive role in strengthening Sino-Soviet cultural exchanges as well as mutual understanding and friendship among people and artists of both countries.

V.P. Sysoyev, head of a Soviet group organizing the exhibition, called it "an important event in Soviet-Chinese cultural exchanges." He said he hoped that it would "contribute to creating a sincere, friendly and trusting atmosphere between the two countries and peoples." Also present on the occasion were Lu Xhixian, Chinese vice-minister of culture, and V.P. Fedotov, charge d'affaires ad interim of the Soviet Embassy in Beijing. The exhibition will next move to Xian. Earlier this year, China and the Soviet Union held an exchange of musicians' groups for performance tours in their respective countries.

CHINESE EXHIBIT IN USSR DRAWS RECORD CROWDS

OW300834 Beijing XINHUA in English 0708 GMT 30 Oct 84

[Text] Moscow, October 29 (XINHUA) -- An exhibition of modern Chinese paintings, the first in decade, drew record crowds to the Oriental Art Museum here since its opening October 10. Visitors to the exhibition sponsored by the Soviet and Chinese Culture Ministries averaged nearly 1,000 per day, a record figure for the museum, according to museum workers.

The exhibit presented 70 works of famous Chinese painters, including Xu Beihong, Qi Baishi and Fu Baoshi. The exhibition, held to celebrate the 35th anniversary of the founding of the People's Republic of China, is now in Minsk, capital of the Belorussia, Soviet Socialist Republic.

SOVIET NEWSPAPERS COMMENT ON U.S. ELECTION

OW291526 Beijing XINHUA in English 1509 GMT 29 Oct 84

[Text] Moscow, October 29 (XINHUA) -- Soviet newspapers criticized both Reagan and Mondale in the past few days as the U.S. Presidential election is approaching.

Today's PRAVDA in a commentary by its correspondent in New York said that in the pursuit of votes they in Washington "quite of a sudden started talking about a desire to hold arms control talks, to establish stable relations with the Soviet Union, etc. However, the true deeds of the U.S. Administration are indicative of quite the opposite." The article also noted that although Mondale criticized Reagan's military policy, "one should not forget that Mondale was vice-president in the previous U.S. Administration which imposed upon NATO allies the decision to deploy 'Pershing-2' and cruise missiles in Western Europe and worked out the doctrine of a 'limited' nuclear war and other militarist plans."

Another Soviet newspaper RURAL LIFE said in a commentary yesterday that the international situation has been drastically aggravated for the four years of the Reagan administration in which the President has accelerated the arms race on a large scale. It noted that Reagan had said many times recently that his government was ready to hold constructive talks with the Soviet Union on the reduction of nuclear war danger and a stop of arms race, but he signed only two weeks before the elections a record high bill of 292.9 billion U.S. dollars for the Defense Department in 1985 fiscal year.

FRENCH DELEGATION ENDS TALKS IN MOSCOW

OW271648 Beijing XINHUA in English 1641 GMT 27 Oct 84

[Text] Moscow, October 27 (XINHUA) -- The Soviet Union and France disagreed on a number of major international issues discussed in talks that ended here yesterday. According to a report of the Soviet newspaper PRAVDA, head of the French delegation Claude Estier expressed concern over the tense international situation and the continuing arms buildup. He reiterated France's support for NATO's decision to deploy new American missiles in Europe, and its refusal to consider French nuclear force in the total balance of nuclear weapons in Europe.

He stressed that it is important to prevent the militarization of outer space and pointed out that France's position was close to the Soviet Union's is on Central America and the Middle-East.

The head of the Soviet delegation, Boris Ponomarev, urged the two sides to cooperate on a chemical weapons ban, the non-proliferation of nuclear weapons and the peaceful use of space.

On bilateral relations, Ponomarev blamed France for conducting systematic anti-Soviet propaganda to worsen the general climate of Soviet-French relations.

Estier expressed hope for developing mutually beneficial relations between the two countries.

KIM IL-SONG DISCUSSES REUNIFICATION OF KOREA

HK300856 Beijing RENMIN RIBAO in Chinese 30 Oct 84 p 1

["Special Dispatch": "Kim Il-song Answers Questions From a RENMIN RIBAO Delegation, Stresses the Need To Ease the Situation on the Korean Peninsula and Gradually Achieve Peaceful Reunification"]

[Text] Pyongyang, 29 Oct (RENMIN RIBAO) -- Today, while answering the questions of the RENMIN RIBAO delegation visiting Korea, President Kim Il-song said: In order to achieve, step by step, the peaceful reunification of Korea, the tense situation on the Korean peninsula should first be eased. There are two aspects of the problem here: first, the international problem between Korea and the United States; and second, the problem inside the Korean nation.

President Kim Il-song said: "This year, we proposed that the DPRK, the United States, and South Korea hold tripartite talks. The U.S. Carter administration had also proposed holding tripartite talks, which were also mentioned in the Chon Tu-hwan-Carter joint declaration." He pointed out two problems that had to be solved by tripartite talks: 1) Substituting a peace agreement for the Armistice Agreement is a problem that should be solved with the United States. The Korean Armistice Agreement is an agreement signed by the United States, Korea, and the Chinese People's Volunteers. The Chinese People's Volunteers withdrew from Korea long ago, and now only Korea and the United States remain there, therefore, the two parties should sign a peace agreement to replace the Armistice Agreement. 2) South Korea and North Korea should sign a nonaggression pact. If this is not thought feasible, the United States can take part in signing the pact. For the commander in chief of the "Korean-U.S. Joint Headquarters" is a U.S. officer, and power over the South Korean troops is in the hands of an American. President Kim Il-song stressed: If the three parties solve the above-mentioned two problems, they will create conditions for easing the tense situation on the Korean peninsula and for the peaceful reunification of the motherland. Concerning contacts and cooperation between the North and South sides, President Kim Il-song said that not long ago the North successfully provided relief materials and goods for areas of the South side, which had suffered a disaster, and this had produced a fine impact on the South Korean people. He said: "We propose to resume Red Cross talks and economic talks and thus solve our nation's internal problems by ourselves."

KIM IL-SONG RECEIVES THREE CHINESE DELEGATIONS

HK301000 Beijing RENMIN RIBAO in Chinese 30 Oct 84 p 1

["Special Dispatch": "President Kim Il-song Receives Three Delegations From Our Country"]

[Text] Kim Il-song, secretary general of the Korean Workers Party [KWP] and president of the DPRK, received the Chinese people's friendship delegation headed by Zheng Weishan, the delegation from the magazine HONGQI headed by Xiong Fu, and the delegation from the newspaper RENMIN RIBAO headed by Li Zhuang at the Kumsusan Assembly Hall this morning and held a very cordial and friendly conversation with all visiting Chinese comrades.

President Kim Il-song was in ruddy health. Warmly welcoming the visit to Korea by the Chinese comrades, he said: "Korea and China are two comrade-in-arms countries whose ties have been cemented with fresh blood and who are also close neighbors. We are determined to pass this friendship on from generation to generation." Dealing with the inauguration of the completed reconstruction of the Korea-China Friendship Tower, which was held on 25 October, President Kim said: "We are now strengthening education among our future generations so that can cherish the friendship between the Korean and Chinese peoples from generation to generation."

President Kim Il-song pointed out: Our two parties and nations learn from each other and encourage and support each other. "The 3d Plenary Session of the 11th CPC Central Committee successfully solved rural problems and the CPC has recently held the 3d Plenary Session of its 12th Central Committee with a view to solving urban problems. We Korean comrades are overjoyed over all this." He congratulated the fresh successes achieved by the Chinese people under the leadership of the CPC in building socialism with Chinese characteristics. He emphatically pointed out: Every success the Chinese people score is encouragement for the Korean people.

Touching on the Ninth Plenary Session of the Sixth KWP Central Committee, which was held not long ago, and the principles and policies adopted by the session, President Kim Il-song pointed out: "What is important is to strengthen solidarity with the socialist countries and to do a good job in construction, in light industry in particular." He said: The KWP and Korean Government are ready to spend 3 years' time on raising the quality of light industrial products and increasing product variety and design. We wish to run more joint ventures with other countries in the world. We have promulgated the "Law on Joint Ventures."

In the course of the meeting, Zheng Weishan conveyed the regards of Comrades Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Peng Zhen to President Kim Il-song. President Kim Il-song asked the delegations to give his regards to the Chinese party and government leaders, such as Hu Yaobang, Deng Xiaoping, Zhao Ziyang, Li Xiannian, and Peng Zhen. After the meeting, President Kim gave a luncheon in honor of the Chinese comrades.

DPRK AMBASSADOR HOLDS BANQUET FOR FRONT GROUP

OW291618 Beijing XINHUA in English 1532 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Sin In-ha, the ambassador of the Democratic People's Republic of Korea to China, gave a banquet here tonight on the occasion of the visit of a delegation from the Korean Democratic Front for the Reunification of the Fatherland. Among those present were Yang Jingren, Cheng Zihua and Xiao Hua, vice-chairmen of the National Committee of the Chinese People's Political Consultative Conference. The delegation led by Yo Yon-ku, vice-chairman of the Standing Committee of the Korean Supreme People's Assembly, will leave here for home tomorrow.

POLICE ACTION ON SEOUL CAMPUS CRITICIZED

HK270806 Beijing RENMIN RIBAO in Chinese 27 Oct 84 p 6

["Short" commentary: "An Expression of Weakness"]

[Text] It has been reported that the South Korean authorities flagrantly sent more than 6,000 antiriot policemen into Seoul University on 24 October to suppress the students' antigovernment protest. More than 100 students were arrested in the past few days. The police atrocities aroused still greater anger among the students. The students continued their struggle, demanding protection of democratic rights and abolition of the autocratic rule of the South Korean authorities.

People have not forgotten that 8 months ago the South Korean authorities, forced by the situation at that time, had no alternative but to withdraw all policemen from the campus, declaring that this would guarantee autonomy of the students union and stating that they were not interested in the campus activities. However, the plainclothesmen remained on the campus although the uniformed policemen were withdrawn. This was the cause of the current protest by the students. Presently, Seoul University is again enveloped in an atmosphere of terror. By acting this way, the South Korean authorities have once again exposed their true features. The South Korean authorities used several thousand policemen to cope with unarmed students. Instead of demonstrating their power, this just betrayed their weakness.

The South Korean authorities should have learned from the development of the South Korean student movement over the past few years that suppression does not help to solve the problem. The students' struggle is only a part of the South Korean people's resistance against autocratic rule. The flame of the South Korean people's demand for peace and democracy is unquenchable.

HU YAOBANG COMMENTS ON PRC-MPR RELATIONS

HK300358 Beijing XINHUA Hong Kong Service in Chinese 0408 GMT 28 Oct 84

[Text] Beijing, 28 Oct (XINHUA) -- An article in issue No 44 of the weekly LIAOWANG to be published on 29 October reveals that in mid-September, Hu Yaobang, general secretary of the CPC Central Committee, visited the border area of Nei Monggol Autonomous Region and discussed, with cadres of various nationalities of Xilin Gol League, Erenhot City, Jining City, and so forth, the building of the border areas and the areas along the Jining-Erenhot railroad, the open-door policy, oil prospecting in the Erenhot Basin, and other issues. Accompanying him was Qin Jiwei, alternate member of the Political Bureau of the CPC Central Committee.

The article, written by Zeng Jianhui, is entitled "An Account of a Trip to the Nei Monggol Border Area."

During Hu Yaobang's visit to the sentry post at Erenhot along the Sino-Mongolian border, a leader of the border defense unit briefed him, saying that generally speaking peace had reigned over the past several years in the area around the Sino-Mongolian border. There had been no disputes between the Chinese and Mongolian sides. Consultations had been able to resolve many things. In recent years, both sides had met and talked four times, with all the talks proceeding in a friendly and cooperative atmosphere.

Hu Yaobang said happily: That is very good. Promoting friendship is our supreme goal. We sincerely hope that China and Mongolia can always live together in peace with the two countries' peoples friendly to each other for all generations to come. The two countries should strive to develop mutual trade. Border trade should also be developed. Border area cultural exchanges between the two sides must be strengthened. This can promote the prosperity of the border areas on both sides.

Three kilometers from the national border there is a small city -- Erenhot. With a population of only 7,000, it can boast here of being one of the "major cities" along the whole Sino-Mongolian border and also part of China. The northern border leads to an unusually important entrepot between the Mongolian People's Republic and the Soviet Union.

Hu Yaobang said that commerce in Erenhot, as an important entrepot opening up to the outside, is not active enough. He said that the border area must practice an open door policy and must open up to promote trade. To make an economically underdeveloped area rich, we must do a good job of opening up to the world. This is a major policy advocated by Comrade Xiaoping. He said that the area along the 330 km railroad from Jining to Erenhot must be properly built up. Urban construction in Erenhot must especially be handled well to meet the needs of the open-door policy. Shenzhen in the south must be matched by Erenhot in the north. So Erenhot as a "window" carries great importance.

Hu Yaobang showed great concern over the development of oil resources in the Erenhot Basin. He said that we must develop the oil resources of the Erenhot Basin as quickly as possible and set up oil refineries on the spot. This is a major issue bearing on the economic prosperity of areas along the Erenhot-Jining line and other areas.

The Erenhot Basin has an area of 100,000 square km. Since the beginning of prospecting in 1979, the existence of a very wide distribution of oil-bearing strata here has been confirmed. Quite substantial oil deposits have been verified. The area can be developed into a new oilfield.

During his trip to Nei Monggol, Hu Yaobang repeatedly stressed the problem of great changes in the Chinese society brought about by the current reform. The building of socialist spiritual civilization must be geared to such major changes. He said that here we must pay attention to three points: First, we must ideologically cherish the idea of reform and show no fear for reform. Second, we must dare to smash hackneyed rules and regulations and to delegate power. Third, we must not neglect changes in the mode of living. The mode of living must change with changes in the mode of production.

Hu Yaobang pointed out that in regard to the mode of living, we must not be afraid of change and must not be bound by what is backward.

Hu Yaobang also stressed that the cadres of the Chinese Communist Party on any front must show concern over economic matters. Modernization is a task overwhelming everything else. What the Secretariat has studied most frequently is the economic problem.

GU MU MEETS JAPANESE POLICY BODY PRESIDENT

OW291537 Beijing XINHUA in English 1515 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Chinese State Councillor Gu Mu met and had a friendly conversation here this afternoon with Saburo Okita, president of the Japanese Institute for Domestic and International Policy Studies.

ZHANG JINGFU MEETS JAPANESE TECHNOLOGY GROUP

OW291539 Beijing XINHUA in English 1514 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Chinese State Councillor Zhang Jingfu met a delegation from the Japan-China Industrial Technology Exchange Association led by Vice-President Yuichi Hayashi here this afternoon.

BURMESE PRESIDENT CONTINUES VISIT, MEETS LEADERS

Talks With Li Xiannian

OW291453 Beijing XINHUA in English 1435 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Chinese President Li Xiannian and Burmese President U San Yu pledged their commitment to the development of Sino-Burmese friendship at meeting here today. During their talks, President Li said that the two countries had remained friendly to each other since the establishment of diplomatic relations no matter what had happened. Such a friendship was developed by the late Chairman Mao Zedong, the late Premier Zhou Enlai and Chairman U Ne Win and other Burmese leaders.

President San Yu said that his current visit to China was aimed at promoting friendly relations between the two countries, which respected each other. The successful exchange of visits between leaders of the two countries should be continued, he added. Present at the talks were Burmese member of the Council of State U Tha Kyaw, Chairman of the Council of People's Attorneys U Myint Maung, Deputy Prime Minister U Tun Tin, Minister of Foreign Affairs U Chit Hlaing and Burmese Ambassador to China U Hla Shwe. Also present were Chinese Vice-Premier Yao Yilin, State Councillor and Foreign Minister Wu Xueqian, and Chinese Ambassador to Burma Huang Mingda.

Beijing Banquet

OW291517 Beijing XINHUA in English 1451 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Chinese President Li Xiannian said here tonight that it was China's firm and unswerving policy to develop good-neighborly and friendly relations with Burma. He was speaking at a banquet he gave for Burmese President U San Yu and Mme. San Yu in the Great Hall of the People.

The Chinese president said: "Through the joint efforts of the two sides, China and Burma will certainly create a new situation in their friendly cooperation and bring it to a new height, thus benefiting the people of the two countries and promoting peace and stability in Asia and the rest of the world."

In his reply, President San Yu said that the two countries had maintained friendly contacts since time immemorial. These traditional ties of friendship had been transformed into stronger bonds of pauphaw friendship after Burma had gained her independence and China had attained her liberation. Bilateral exchanges had also increased and broadened.

Both presidents mentioned the fact that the two countries had successfully solved a number of problems, including the boundary question, left over by history, through close friendship and cooperation. U San Yu called their border agreement a "landmark of Burma-China friendship for generations to come". The two leaders also spoke highly of the Five Principles of Peaceful Coexistence put forward by China and Burma 30 years ago. Li said that these principles reflected the common desire of the people throughout the world to live in peace and engage in friendly cooperation on the basis of independence and equality.

Li noted that the superpowers were contending for hegemony and stepping up the arms race, severely threatening world peace and the independence and security of various countries. "It has become a pressing task for the people of all countries to defend and carry out the Five Principles of Peaceful Coexistence", Li said. "If all countries in the world observe these principles, they can live in harmony, the international situation can be eased and world peace safeguarded."

San Yu said that Burma had consistently followed these principles. "It is our firm conviction that the strict adherence of the Five Principles of Peaceful Coexistence by all nations in their relations with each other will surely promote world peace," he added.

Li spoke highly of the external and internal policies of the Burmese Government and the achievements of the Burmese people in industrial and agricultural production. He said: "Your country has safeguarded the principles of the U.N. Charters, upheld justice and opposed aggression, made efforts to develop friendly relations with all countries and strengthen its unity and cooperation with the neighbouring countries and other Third World countries, thus winning acclaim from the international community."

The Chinese president also said that China would implement the policy of opening to the rest of the world for a long time to come and promote economic cooperation and technical exchanges with foreign countries on the basis of equality and mutual benefit. "There will be broader prospects for friendly contacts and cooperation between the Chinese people and other peoples," he declared.

The Burmese president pointed out, "Burma is a developing country. We are endeavoring to raise the living standard of our people according to our culture and traditions and in our own way. In these endeavors, we rely mainly on our own human resources. On the other hand, we have also accepted some external assistance that have been extended in sincerity and that are in keeping with our needs and requirements for national development."

Lin Jiamei, wife of president Li Xiannian, was present. Also present were Huang Hua, vice-chairman of the National People's Congress Standing Committee; Yao Yilin, vice-premier of the State Council; Chen Muhua, state councillor and minister of foreign economic relations and trade; Wu Xueqian, state councillor and foreign minister; Yang Bo, minister of light industry; Wu Wenying, minister of the textile industry; Chen Puru, minister of railways; and He Dongchang, minister of education.

Zhao Talks With San Yu

OW300951 Beijing XINHUA in English 0856 GMT 30 Oct 84

[Text] Beijing, October 30 (XINHUA) -- Chinese Premier Zhao Ziyang held political talks with Burmese President U San Yu here today. It was learned that in a cordial and friendly atmosphere the two leaders briefed each other on their domestic political and economic situation as well as domestic and foreign policies. They also exchanged views on international situation.

President U San Yu said, "Burma follows an independent and positive foreign policy. It will never invade or intervene with another country, nor does it like to see any country pursue a policy of invading and or intervening with another country." He stressed that Burma was determined to continue to expand friendly relations with other countries in accordance with the Five Principles of Peaceful Coexistence and the ten principles of the Bandung Conference.

U San Yu pointed out that the international situation and arms race had become increasingly tense and that worrisome situations developed in some areas. All this seriously hampered the efforts of the developing countries to achieve their construction objectives. "Burma is worried about this," the president added. He said, "Burma is opposed to the aggression of Kampuchea and Afghanistan by foreign troops. We advocate that foreign troops should withdraw from these two countries and that the Kampuchean and Afghan peoples should be allowed to decide their own destiny and choose their own leaders." The Burmese president paid a high tribute to the friendship between the Burmese and Chinese peoples and the friendly relations of cooperation between the two countries. He said, "our two countries share the same objectives and goals. Our relations have developed steadily since the establishment of diplomatic ties. Now, Burma-China relationship is one of pauphaw friendship shared between kinsmen."

Premier Zhao Ziyang said, "Burma was one of the first countries to establish diplomatic ties with China. We call the special bond existing between China and Burma pauphaw friendship." He stressed: "Our two countries share identical or similar views on international issues. We appreciate Burma's independent and positive foreign policy as well as its just position on major international issues."

The Chinese premier described the two countries' economic and technical cooperation as "always good," saying that China attached great importance to such cooperation. Zhao also briefed U San Yu on China's on-going economic restructuring and positions on major international issues.

Taking part in the talks on the Burmese side were members of the Burmese president's entourage including U Tha Kyaw, U Myint Maung, U Tun Tin, U Chit Hlaing, U Tint Swe, U Hla Tun and U Hla Shwe. On the Chinese side were Wu Xueqian, Yang Bo, Chen Puru and Huang Mingda.

MALDIVES PRESIDENT LEAVES PRC FOR JAPAN

OW280200 Beijing XINHUA in English 0150 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) -- Maldivian President Maumoon Abdul Gayoom concluded his state visit to China and left here by plane for Tokyo this morning. The president and his visiting party were seen off at the airport by Yang Taifang, chairman of the Chinese Government reception committee and minister of posts and telecommunications; Liu Shuqing, vice-foreign minister; and Zhou Shanyan, Chinese ambassador to the Maldives.

XIZANG GOODWILL DELEGATION VISITS NEPAL

Eleven-Member Group Departs

OW262042 Beijing XINHUA in English 1832 GMT 26 Oct 84

[Text] Lhasa, October 26 (XINHUA) -- An 11-member delegation from the Tibet Autonomous Regional People's Government left here today for Katmandu at the invitation of the Government of the Kingdom of Nepal. The delegation is led by Duojiecaidan and Yang Zongxin, chairman and vice-chairman of the Tibet Autonomous Regional People's Government. They will stay in Nepal for 11 days to visit industrial, agricultural and tourist facilities and to inform Nepalese people of recent changes and development in Tibet.

Arrives in Nepal

OW291633 Beijing XINHUA in English 1526 GMT 29 Oct 84

[Text] Katmandu, October 29 (XINHUA) -- A good will delegation from the government of the Tibet Autonomous Region of China arrived here today for a 12-day visit at the invitation of the Nepalese Government. Chairman of the Tibet Autonomous Regional People's Government Duojiecaidan, leader of the 11-member delegation, said the visit is aimed at bolstering the good relations between China and Nepal.

The delegation will meet with the Nepalese prime minister and other senior officials, and will also visit industrial cities and tourist sites outside of Katmandu. This is the highest-level delegation from Tibet to visit Nepal since the establishment of the Tibet Autonomous Region.

LIU SHUQING MEETS FORMER PAKISTANI ENVOY

OW291449 Beijing XINHUA in English 1433 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Vice-Minister of Foreign Affairs Liu Shuqing met and had a cordial talk with former Pakistan Ambassador S. Haider here today. Mr. and Mrs. Haider were honored at a banquet by Han Nianlong, president of the Chinese People's Institute of Foreign Affairs. Also present were Maqbool Ahmad Bhatti, the present Pakistan ambassador to China, and Mrs. Bhatti. Mr. and Mrs. Haider arrived here yesterday at the invitation of the Chinese People's Institute of Foreign Affairs.

ITALIAN DELEGATION MEETS WITH PRC LEADERS

Meeting With Li Xiannian

OW261238 Beijing XINHUA in English 1224 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Chinese President Li Xiannian pointed out here today that the world today should go in for friendship, and not war. Countries whether having identical or different social systems, he said, should observe the Five Principles of Peaceful Coexistence, namely, mutual respect for each other's sovereignty and territorial integrity, non-aggression, non-interference in each other's internal affairs, equality and mutual benefit, and peaceful coexistence.

Li made these remarks during a late-afternoon meeting here with a delegation from the Foreign Affairs Committee of the Italian Chamber of Deputies. He said: "China and Italy and other West European countries are on good terms. We hope to see a united Europe. We also hope to see improvement of relations between Western and Eastern Europe."

Leader of the delegation Giorgio La Malfa, chairman of the Foreign Affairs Committee, said that he and his group had had very good talks with leading members of the Foreign Affairs Commission of the Chinese National People's Congress and other departments in the past few days. "Italy regards an economically strong China as an important factor in the defense of world peace. Italy strongly wishes to expand its ties with China in the political, economic, cultural, scientific and technological fields," he remarked. At the beginning of the meeting, Malfa handed to Li Xiannian two letters from Italian President Sandro Pertini, one addressed to Li himself and the other to Chairman Deng Xiaoping. The Italian president wrote to invite Li to visit Italy at an earliest possible date.

The Chinese president said, "I haven't met President Pertini in person yet. When I was elected president of the People's Republic, he extended congratulations to me through a telephone conversation. For my part, I would very much like to meet your president in your country. The date of the visit can be fixed through diplomatic channels." Li also asked Malfa to convey his thanks and best regards to President Pertini upon his return home.

Talks With Ji Pengfei

OW271257 Beijing XINHUA in English 1224 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Chinese State Councillor Ji Pengfei met with the delegation from the Foreign Affairs Committee of the Chamber of Deputies of Italy led by its President Giorgio La Malfa in the Great Hall of the People here this afternoon. Their conversation covered a number of international issues.

RURAL DEVELOPMENT OFFICIAL MEETS ITALIAN GUESTS

OW262045 Beijing XINHUA in English 1835 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Du Runsheng, chairman of the China Rural Development Research Centre met and dined with a delegation from the Confederation of Cooperatives of Italy led by confederation President Dario Mengozzi.

JI PENGFEI MEETS FRG BUSINESSMAN 27 OCT

OW271246 Beijing XINHUA in English 1229 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Chinese State Councillor Ji Pengfei met here this afternoon a delegation led by Wolfgang Maurus, secretary-general of Hanns-Seidel Fund of the Federal Republic of Germany. They had a friendly talk on further expanding exchange and cooperation between China and the fund.

WU LENGXI MEETS FRENCH BROADCASTING DELEGATION

OW271558 Beijing XINHUA in English 1502 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Wu Lengxi, minister of radio and television, met with a delegation from the High Authority for Audiovisual Communication of France led by its chairman, Michele Cotta. Later Wu gave a dinner for the delegation. In a friendly conversation both sides expressed the hope that exchanges and cooperation in radio and television would further be developed. The French guests arrived here yesterday. This morning they held a talk on broadcasting and television with their Chinese counterparts.

FRENCH SOCIALIST DELEGATION VISITS SHANGHAI

OW270845 Shanghai City Service in Mandarin 2300 GMT 26 Oct 84

[Text] Liu Zhenyun, deputy mayor of Shanghai, met and entertained a French Socialist Party delegation headed by Guy Allouche, deputy secretary of the French Socialist Party National Committee, at the Hongqiao Guesthouse on the evening of 26 October. (Zhao Yunjun), deputy director of the municipal Foreign Affairs Office, was present to entertain the guests. Bernard Boulard, French consul general in Shanghai, was also present on invitation.

QU WU MEETS NORWEGIAN CULTURAL RELATIONS GROUP

OW171303 Beijing XINHUA in English 1217 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Qu Wu, vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, met a group of Norwegian cultural people here this afternoon. The group, led by Knut Sverre, director general of the Department for Information and Cultural Relations of the Norwegian Foreign Ministry, arrived here Thursday at the invitation of the Chinese People's Association for Friendship With Foreign Countries.

LI PENG DISCUSSES ARBITRATION WITH SWEDISH GROUP

OW291736 Beijing XINHUA in English 1640 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Vice-Premier Li Peng said here today that China may seek help from a Swedish arbitration institute if it fails to settle disputes in contract implementation through consultation with foreign firms. In a meeting here today with a Swedish group from the Stockholm Chamber of Commerce, the vice-premier said that China would try to settle possible contract disputes through friendly consultation and mutual accommodation.

However, he added, China is ready to choose the arbitration institute of the Stockholm Chamber of Commerce as one of the arbitration institutions, if necessary.

A large number of international economic and trade contracts, especially those between the East and the West, name Sweden as the country for arbitration when and if disputes arise. Many contracts between Chinese and foreign firms also designate Sweden as the place for arbitration.

The Swedish group led by Sten Rudholm, marshal of the realm and chairman of the Arbitration Institute of the Stockholm Chamber of Commerce, and Sven Swarting, president of the chamber, are here as guests of the China Council for the Promotion of International Trade.

PRC AMBASSADOR TO DENMARK VISITS SCHLUTER

OW261023 Beijing XINHUA in English 0654 GMT 26 Oct 84

[Text] Stockholm, October 25 (XINHUA) -- Newly-appointed Chinese Ambassador to Denmark Chen Lu called on Danish Prime Minister Poul Schluter today.

A report from Copenhagen, capital of Denmark, said that Schluter reviewed Chinese Premier Zhao Ziyang's visit to Denmark last June and expressed his confidence in the further development of the friendly relations and economic-technical cooperation between the two countries, which are based on mutual understanding and support.

TURKISH AMBASSADOR HOSTS NATIONAL DAY RECEPTION

OW291422 Beijing XINHUA in English 1307 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Turkish Ambassador to China Necdet Tezel and Mrs Mina Tezel gave a reception at the embassy here this afternoon in celebration of the 61st anniversary of the proclamation of the Republic of Turkey. Among the guests were Cui Yueli, minister of public health; Wen Yezhan, vice-minister of foreign affairs; and diplomatic envoys of various countries.

NORWAY, SWEDEN, AUSTRIA TO EXHIBIT QIN FIGURES

OW261142 Beijing XINHUA in English 0854 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- An agreement on an exhibition of terracotta figures of warriors and horses of the Qin Dynasty (221-207 B.C.) was reached here today between China and Norway, Sweden and Austria.

Lu Zhixian, vice-minister of culture, signed the agreement for the Chinese Government. Signing for their respective governments were the ambassadors of Norway, Sweden and Austria -- Arne Arnesen, Lars Bergquist and Wolfgang Wolte.

At the invitation of the exhibitor countries, the Museum of the Terracotta Figures of Warriors and Horses of the Qin Dynasty in Xian in China's Shaanxi Province and the Overseas Archaeological Exhibition Corporation of China will hold the exhibition separately in Statens Konstmuseer, Stockholm, Henie-Onstad Foundation, Oslo, and Museum Fuer Voelkerkunde, Vienna, from December 4, 1984 to July 31, 1985.

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PRC INTERNATIONAL AFFAIRS
WESTERN EUROPE

The 33 exhibits will include terracotta figures of a standing archer, a kneeling archer and a cavalryman. They were all unearthed between 1974 and 1981 from the tomb of China's first emperor, Qin Shi Huang, in Lintong County, Shaanxi Province.

AUSTRIAN AMBASSADOR HOSTS NATIONAL DAY FETE

OW260922 Beijing XINHUA in English 0857 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Wolfgang Wolte, Austrian ambassador to China, gave a reception at his residence here at noon today to mark the Austrian National Day.

Chinese Minister of Commerce Liu Yi, Vice-Minister of Foreign Affairs Zhou Nan and other officials were present at the reception.

TUNISIAN PRIME MINISTER COMMENTS ON PRC VISIT

OW281327 Beijing XINHUA in English 0857 GMT 28 Oct 84

["Tunisian Prime Minister Says His Visit to China Is Success" -- XINHUA headline]

[Text] Tunis, October 27 (XINHUA) -- Tunisian Prime Minister Mohamed Mzali said this evening that his visit to China developed a new perspective for bilateral cooperation in various fields.

According to Tunis Afrique Presse (TAP), Mzali has reported the results of his Asian tour to President Bourguiba. He told TAP that "the visit proved again that the developing countries are able to boost their bilateral and multilateral cooperation and that South-South cooperation is possible. This constitutes an essential condition for the success of South-North dialogue." Mzali returned here this afternoon after a friendly visit to China from October 20 to 24.

CPC DELEGATION RETURNS FROM SOMALIA CELEBRATIONS

OW271254 Beijing XINHUA in English 1221 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- A Chinese Communist Party delegation led by Yang Jingren, member of the Central Committee of the Communist Party of China and vice-chairman of the National Committee of the Chinese People's Political Consultative Conference, returned here today after attending the celebrations of the 15th anniversary of the Somali revolution.

GROUP DEPARTS FOR ALGERIA TO MARK ANNIVERSARY

OW281706 Beijing XINHUA in English 1635 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) -- A Chinese party and government delegation led by Xi Zhongxun left here for Algiers this evening to attend the celebrations of the 30th anniversary of the Algerian revolution. Xi Zhongxun is a member of the Political Bureau and Secretariat of the Central Committee of the Chinese Communist Party.

The delegation includes Rui Xingwen, minister of urban and rural construction and environmental protection; Lu Weizhao, Chinese ambassador to Algeria (now already in Algiers); Yu Wen, director of the Research Office of the International Liaison Department of the C.P.C. Central Committee; and Zhu Yinglu, director of the West Asia and North Africa Department of the Foreign Ministry. The delegation was seen off at the airport by Hu Gili and Hao Jianxiu, member and alternate member of the C.P.C. Central Committee; Tian Jiyun, vice-premier of the State Council; Wu Wueqian, state councillor and foreign minister; and Algerian Ambassador to China Akbi Abdelghani.

SIERRA LEONEAN SPEAKER CONTEH CONCLUDES VISIT

Gives Banquet for Officials

OW2602038 Beijing XINHUA in English 1849 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- The visiting Sierra Leonean speaker, William Conteh, gave a return banquet at the Sierra Leonean Embassy here tonight.

The banquet was attended by Zhou Gucheng, vice-chairman, and Zhang Zhen, member, of the Standing Committee of China's National People's Congress, and Chen Mingshao, vice-chairman of the Standing Committee of the Beijing Municipal People's Congress. Sierra Leonean Ambassador to China C.B. Aubee was also present.

Conteh said in his toast that he was satisfied with the results of his current visit and that he hoped for the constant growth of friendship between Sierra Leone and China. Zhou Gucheng said at the banquet that he believed there would be more contacts between the two countries and their friendly relations and cooperation would be consolidated and developed further.

Departs Beijing

OW271645 Beijing XINHUA in English 1625 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- A Sierra Leonean parliamentary delegation led by speaker William Conteh concluded its visit to China and left here for home tonight. Seeing them off at the airport were Zhou Gucheng and Zhang Zhen, vice-chairman and member of the Standing Committee of the National People's Congress. On hand was also Sierra Leonean Ambassador C.B. Aubee.

ANNIVERSARY OF DIPLOMATIC TIES WITH ZAMBIA NOTED

Li Greets Zambian Leader

OW280202 Beijing XINHUA in English 0146 GMT 28 Oct 84

[Text] Beijing October 28 (XINHUA) -- Chinese President Li Xiannian today sent a message to Zambian President Kenneth David Kaunda, congratulating him on the 20th anniversary of the establishment of diplomatic relations between the two countries. "Over the past two decades since the establishment of diplomatic relations, the friendship between our two peoples has steadily grown stronger, and our bilateral cooperation in the political, economic, cultural and other fields has borne satisfactory fruits," the message said.

"The development of Sino-Zambian friendly relations and cooperation is not only in the fundamental interests of our two peoples, but also stands as a fine example for South-South cooperation," the message said. "I am convinced that with our joint efforts, the friendship between our two peoples and the amicable ties and cooperation between our two countries will certainly develop and grow further," it said.

Li Xiannian highly appreciated in the message President Kaunda's outstanding contributions made in furthering the friendly relations and cooperation between China and Zambia.

Embassy Film Reception

OW291139 Beijing XINHUA in English 1125 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- A film reception was held here this afternoon to mark the 20th anniversary of the establishment of Sino-Zambian diplomatic ties by the Chinese People's Association for Friendship With Foreign Countries [CPAFFC] and the China-Africa Friendship Association. Among the more than 100 present at the reception were Gong Dafei, president of the China-Africa Friendship Association; Liu Gengyin, vice-president of the CPAFFC; Zambian Ambassador to China M. Mainza Chona and Mrs Y. Mainza Chona; embassy officials and Zambian students, as well as representatives from all quarters of the capital. A Chinese colored feature film "Disturbances in the Yueliangwan Village" was shown at the reception.

MEXICAN BUSINESSMEN, GOVERNMENT OFFICIALS VISIT

Li Xiannian Meets Delegation

OW290815 Beijing XINHUA in English 0738 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- President Li Xiannian said here today that China wanted to have more economic exchanges with Mexico and other countries.

He made this remark at a 90-minute meeting with a group of more than 50 businessmen and government officials from Mexico at the Great Hall of the People this morning.

The visitors who arrived here October 27, are led by Antonio Calderon, president of the Mexico-China Committee of the Mexican Businessmen's Council for International Affairs. Hector Hernandez Cervantes, secretary of commerce and industrial development, is an honorary member of the delegation.

Briefing the visitors on China's foreign economic policies, Li Xiannian said that China would open its door wider to the developed countries as well to the developing states including Mexico. He called for more exchanges with a view to deepening mutual understanding and expanding economic cooperation. Various forms and channels and on the basis of equality and mutual benefit. He expressed the hope that China and Mexico, which had very good political relations, would make concerted efforts to boost economic cooperation.

Speaking on behalf of the visitors, Secretary Hector Hernandez Cervantes said that the presence of such a big group of Mexican businessmen in China reflected Mexico's interest in fostering greater economic and trade relations with China. He assured President Li Xiannian that the Mexican economic sector would do its best to boost these relations.

Present at the meeting were Wang Yaoting, chairman of the China Council for the Promotion of International Trade, and Mexican Ambassador to China Eugenio Anguiano.

Agreement on Talks Signed

OW291523 Beijing XINHUA in English 1507 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- An agreement on the minutes of talks between the China Council for the Promotion of International Trade (CCPIT) and the Mexican Businessmen's Council for International Affairs was signed here this evening.

Wang Yaoting, chairman of CCPIT, and Antonio Calderon, president of the Mexico-China Committee of the Council, signed the agreement.

Mexican Ambassador to China Eugenio Anguiano gave a reception for the visiting delegation this evening. Wang Yaoting attended the reception.

The delegation will leave here for Guangzhou tomorrow on their way home.

Tian Jiyun Meets Group

OW291143 Beijing XINHUA in English 1131 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Chinese Vice-Premier Tian Jiyun met here today with a group of leading Mexican entrepreneurs led by Antonio Calderon, president of the Mexico-China Committee of the Mexican Businessmen's Council for International Affairs.

They discussed ways of furthering economic cooperation and trade between China and Mexico.

Earlier today, State Councillor and Finance Minister Wang Bingqian had a meeting with the Mexicans.

Chen Muhua Meets Visitors

OW281738 Beijing XINHUA in English 1632 GMT Oct 84

[Text] Beijing, October 28 (XINHUA) -- State Councillor Chen Muhua expressed the hope here today that Chinese and Mexican business leaders would make concerted efforts to promote trade and economic relations between the two countries.

Chen, who is also minister of foreign economic relations and trade, said this at a meeting with a delegation from Mexican Businessmen's Council for International Affairs. The Chinese Government firmly supported the development of economic cooperation and trade with Mexico, she said. "We are satisfied with the development of economic cooperation and trade between the two countries in recent years," she said. "But there is still a great potential which we hope can be tapped through joint efforts."

The 52-member delegation is led by Antonio Calderon, president of the Mexico-China Committee of the Council. Hector Hernandez Cervantes, Mexican secretary of commerce and industrial development, is an honorary member of the delegation. After the meeting, Chen hosted a dinner for the visitors.

Trade Official Meets Delegation

OW271654 Beijing XINHUA in English 1623 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Wang Yaoting, chairman of the China Council for the Promotion of International Trade, met here this afternoon a delegation from Mexican Businessmen's Council for International Affairs led by Antonio Calderon, president of the Mexico-China Committee of the Council.

Wang briefed the guests on the development of trade and economic cooperation between China and Mexico. Zheng Hongye, vice-chairman of the China Council for the Promotion of International Trade, described China's economic situation and its foreign policy of opening to the outside world.

A 52-member delegation arrived here by air at noon today at the invitation of the China Council.

During their stay in China, the Mexican businessmen will hold talks with Chinese high-ranking officials of departments concerned.

This evening Wang Yaoting gave a reception in honor of the Mexican guests. Present at the reception were Jia Shi, vice-minister of foreign economic relations and trade, and Mexican Ambassador to China Eugenio Anguiano.

MEXICAN FOREIGN SECRETARY CONCLUDES VISIT TO PRC

OW281734 Beijing XINHUA in English 1438 GMT 28 Oct 84

[Text] Guangzhou, October 28 (XINHUA) -- Mexican Foreign Secretary Bernardo Sepulveda Amor said here today that he had found surprising changes in Guangdong Province as a result of China's present reform.

Addressing a luncheon in his honor, he said that such changes could be observed in every city he had visited. The Chinese people's great ability in social reform had left a deep impression on them, Sepulveda added.

He said that there was a great possibility for economic cooperation between the two countries. A group of Mexican business leaders led by the Mexican secretary of industry and commerce would visit Guangzhou soon, he said. He believed they would be greatly interested in the economic policies of the Chinese Government.

The secretary also expressed the hope that friendship between the two peoples and economic, cultural and political ties between the two countries would be further strengthened.

In his toast, Vice-Governor Yang Li welcomed the Mexican visitors on behalf of the government and people of Guangdong Province.

Sepulveda and his party arrived here today after visiting Beijing, Zhengzhou, Luoyang and Xian. They left here for home via Hong Kong this afternoon.

ARGENTINE AGRICULTURAL DELEGATION VISITS PRC

Wan Li Meets Group

OW291607 Beijing XINHUA in English 1520 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Vice-Premier Wan Li had a meeting here this afternoon with an Argentine Government agriculture and animal husbandry delegation led by Lucio Reca, the Argentine state secretary for agriculture and animal husbandry.

The two men exchanged views on cooperation between China and Argentina in agricultural and animal husbandry as well as in science and technology.

Agriculture Minister Fetes Visitors

OW271546 Beijing, XINHUA in English 1459 GMT 27 Oct 84

[Text] Beijing, October 27 (XINHUA) -- Chinese Minister of Agriculture, Animal Husbandry and Fishery He Kang gave a banquet for an Argentine Government agriculture and animal husbandry delegation here tonight.

The delegation is led by Lucio Reca, Argentine state secretary for agriculture and animal husbandry.

He Kang said in his toast that of governments and peoples China and Argentina, both developing countries, had always supported each other in safeguarding world peace and national independence and expanding the South-South cooperation.

Lucio Reca said that Argentina and China were friendly to each other. He expressed the conviction that there were broad areas for cooperation, an example for the South-South cooperation.

Among those present were An Min, president of the Beijing Agricultural University, Liu Gengling, vice-president of the Chinese Academy of Agricultural Sciences, and Argentine Ambassador to China Hector A. Subiza.

The delegation arrived here on October 25.

LEI JIEQIONG MEETS DOMINICA PARTY DELEGATION

OW261424 Beijing XINHUA in English 1324 GMT 26 Oct 84

[Text] Beijing, October 26 (XINHUA) -- Lei Jieqing, vice president of the Association for International Understanding of China, met in the Great Hall of the People this evening a delegation of the United Labour Party of the Commonwealth of Dominica led by party General Secretary Roosevelt Douglas. She gave a banquet in their honor.

RENMIN RIBAO VIEWS STRATEGIC MISSILES UNIT

HK300528 Beijing RENMIN RIBAO in Chinese 29 Oct 84 p 4

["Special" report by Zhang Shenglun, Lu Chuazhi, Leng Shaozhao, Zheng Zairong, Wang Tianming, and Jiang Xinhui: "Guided Missiles -- Sharp Swords Piercing the Sky"]

[Text] Editor's note: The PLA strategic missiles unit was established with the aim of breaking the nuclear monopoly and preventing nuclear war. Under the CPC's leadership, this young unit, which has grown from nothing and expanded from a small to a large force, now has the combat capability to counter a surprise attack and to launch a nuclear counteroffensive. [end editor's note]

[The Strategic Missiles Unit Has Scored Marked Successes in Scientific Research

"Relying on science and technology to improve our combat capability" has become the conscious action of the vast numbers of commanders and fighters of the strategic missiles unit. Since the 3d Plenary Session of the 11th CPC Central Committee, the party committees at various levels and the cadres and fighters have extensively launched a scientific research and technological innovation drive centering on the operational use of guided missiles and have scored great successes. From 1979 to 1983 the whole unit attained more than 720 achievements in scientific research and technological innovation. Of these, 9 won prizes at the national science meeting, 77 won prizes at the missiles unit's science and technology meeting, and 166 won prizes for scientific and technological achievements in the whole Army. The popularization and application of these achievements in scientific research and innovation have effectively improved the capability of the missiles unit in protecting its technological equipment and in launching a nuclear counteroffensive.

Carrying Out A "Physical Examination" of the Magic Sword

A ground test PLA unit detachment had been assigned to carry out comprehensive inspections and high-precision testing of the instruments on guided missiles. In an effort to attain a perfect mastery of operational skills, detachment head Gao Weiqing led the operators [cao zuo shou 2347 0155 2087] in studying and training assiduously and strictly. On one occasion, operator Zhang Zengbo conducted a meticulous "diagnosis" of every component and every contact. With a magnifying glass in his hand, Zhang Zengbo scrutinized dozens of contacts on a card [cha ban 2252 2647] as big as a 1-fen coin. The instrument cabin was both hot and stuffy. To prevent the sweat from dripping onto the instruments, he tied a towel round his forehead. When inspecting the 11th tiny plug, Zhang looked through the magnifying glass and saw a grey stain, which proved to be some oxide on the plug. Thereupon he took a piece of white cloth and, after dipping it in alcohol, carefully removed the oxide.

Like Zhang Zengbo, the other operators in the ground test detachment closely integrated wisdom and youth with the building of the strategic missiles unit. In the past 3 years, they have participated in the testing and inspection of guided missiles on more than 60 occasions. They fulfilled their tasks satisfactorily and were cited for collective meritorious service, third class, for 3 years in succession.

The "Giant Dragons" Fly From Their Hands

In 1971 Zhang Guojian was assigned to work as an assistant controller [cao zong yuan 2347 4912 0765] in the strategic missiles unit.

Because the missile control system dealt with advanced mathematics, physics, and chemistry, Zhang Guojian, who had received only a junior middle school education, was determined to lay a solid foundation for his professional theoretical knowledge. Having bought many books with which to teach himself, he persisted in studying them every day, integrating professional studies with cultural studies. On one occasion, after effecting a power outage by quietly inserting a small piece of paper on a main fuse plug of the range system console [she cheng xi tong kong zhi tai 1410 4453 4762 4827 2235 0455 0660] the technological assessment group from the higher authorities asked Zhang Guojian to fix the breakdown. By applying analysis and judgment, Zhang Guojian succeeded in "fixing" the breakdown in less than 2 minutes.

During a practice firing, controller Zhang Guojian accurately and dexterously finished the final testing and inspection of the instruments on the missile with the skill he has mastered in normal conditions. On the order of the commander, Zhang Guojian softly pushed the button. Following an earth-shaking thunderous sound, balls of fire hurled up dense smoke, flames burst and the missile soared into the skies. A moment later, happy tidings came from the long-distance shooting range: "The target has been hit!" Shouts of joy immediately rang through the mountains far and near.

Outstanding Rocket Engine Operator

Zhang Weijie, who was a rocket engine operator, quietly engrossed himself in the diagram of the working principles of rocket engines, drawing them both during training and on holidays. He won first prize at a competition when he finished drawing the diagram of the working principles of a rocket engine 30 minutes earlier than the set standard for excellence.

Just as Zhang Weijie was preparing for another competition, he received a letter from home to the effect that his father, who works in Shanghai, planned to retire and wanted Zhang Weijie to replace him. This set him thinking: What path should he follow after being on active service for 5 years? But what he thought about more was how happiness and comfort could be separated from struggle and sacrifices. Placing the letter from home at the bottom of his bedside cupboard, he again plunged himself into intensive training.

With more training, Zhang Weijie became more expert in his professional skills. At the second competition sponsored by the organization at a higher level, he again won first place and was cited for meritorious service, third class. He finished drawing diagrams of the working principles of a single engine [dan ji 0830 2623] rocket 7 minutes under the set standard for excellence.

Installing a "Straight Edge" [Biao Chi 2871 1439] on a Guided Missile

Installing a "straight edge" on a guided missile is a figure of speech. It refers to a series of calculations relating to the launching of a guided missile. Cheng Wenshang, head of the reconnaissance section of a certain unit, scored gratifying successes after he applied himself to such specialized subjects as guided missile multivariate calculations. [dao dan zhu yuan ji suan 1418 1734 6175 0337 6060 4615], geodesy, and safe meteorological conditions [qi xiang bao zhang 3049 6272 0202 7140]. He won honors on two occasions and awards on nine occasions.

Cheng Wensheng was assigned to the strategic missiles unit from Lanzhou University in 1968. He always takes a calculator, a steel tape, and a compass wherever he goes and checks the results of calculations reported to or received from the leadership. When testing and verifying survey results of the launch site one day, he noted an error in the convergent angle of the astronomical meridian line at the launch site.

After calculating and verifying about 10,000 data, he finally succeeded in clarifying the error in the original results and wrote an official report to the higher body. Soon after, the original calculations unit recalled all the data and corrected the error.

PLA AIR FORCE FIGHTING CAPABILITY EXAMINED

HK291426 Beijing ZHONGGUO XINWEN SHE in Chinese 0904 GMT 29 Oct 84

[Report by correspondent Li Wei: "Fighting Capacity of China's Air Force Fighters Reaches All-Time High"]

[Text] Beijing, 29 Oct (ZHONGGUO XINWEN SHE) -- The fighting capacity of the air units, the main body of China's Air Force, has reached an all-time high. The number of class A flying units, which manifests the fighting capacity of the Air Force, has increased by 144 percent over the highest record of 1965; the number of "all-weather" pilots, who are capable of flying and fighting day and night under bad weather and complicated conditions, has increased by 600 percent over 1978; and around 1,000 pilots have broken records in the attack and bombing technical assessment held by the Air Force, exceeding the best results attained at the famous big show of military skills displayed in 1964.

The four aircraft echelons -- namely the escort aircraft, bombers, fighter planes, and attack planes which took part in this year's National Day parade -- punctually flew over Tiananmen amid dense clouds and mist and under conditions of extremely poor visibility which made it impossible for airplanes to take off. Some echelons arrived exactly on time. These pilots are not the specially selected "aces" but were members of several regiments assigned to take part in the parade according to the organization system.

The educational level of China's pilots has remarkably improved nowadays. All Air Force pilots have received an education equivalent to a special secondary school or college level. All air unit division and regiment commanders can lead the troops to conduct operations in the air (the commanders, heads of command posts, and Army commanders of various military regions are also capable of conducting operations in the air). In the lead aircraft of the echelon which participated in the National Day parade there were actually three division commanders and one deputy division commander. The lead aircraft flying in the forefront was navigated by Xu Shuxiang, a division commander of a certain bombing unit. The lead aircraft of the high-speed fighter plane squadron flying at the rear was flown by 28-year-old Zhang Jianping, the youngest regiment commander in the Air Force.

China's flight safety has also reached world levels. In 1983, the rate of accidents occurring for every 10,000 hours of flying dropped by 65 percent over 1977, approaching the level of countries with the best records in flight safety.

China's Air Force has also upgraded its military equipment. Second only to the United States and the Soviet Union, China's Air Force now possesses supersonic fighter planes, bombers, attack planes, helicopters, transport planes, reconnaissance planes, and trainer aircraft, all manufactured by China itself. Meanwhile, it has also manufactured a number of advanced and efficiently functional airplanes which are now used to equip the troops. These planes can be used for defense as well as attacking land and sea targets in coordination with naval and ground forces.

RENMIN RIBAO ON BUREAUCRACY, ABUSE OF POWER

HK290921 Beijing RENMIN RIBAO in Chinese 28 Oct 84 p 1

[Commentator's article: "Keep a Tight Hold on the Matter of Investigating and Abuse Dealing With Bureaucracy and Cases of Abusing Power To Serve Private Ends"]

[Text] Those units involved in the first stage of party rectification are gradually switching over from the completion of a comparison-inspection process to the stage of rectification and correction. One of the tasks of the rectification-correction efforts calls for penetrating investigation into, and action on those cases of bureaucracy causing serious economic and political losses and cases of abusing power to serve private ends. How to correctly understand and handle the relationship between the investigation and handling of serious cases of bureaucracy and the improper use of power to serve private ends and economic reforms in the rectification-correction process is an important matter in accomplishing the rectification-correction task and stimulating a fundamental turn for the better in the party's work style and in the realization of economic reforms.

As things now stand, most of the units have handled the relationship between the rectification-correction effort and economic reforms relatively well. In the rectification-correction process, the ideology guiding vocational matters is set straight. New achievements have marked work performance. Prominent cases of bureaucracy and improper use of power to serve private ends have been seriously looked into and solemnly dealt with. Measures for work improvement have also been worked out. But many units have put sole emphasis on economic reforms, to the neglect of the rectification-correction effort. Some units have even used economic reform as an excuse for their failure to seriously investigate and handle those cases of bureaucracy and improper use of power to serve private ends which were uncovered in the rectification-correction process. This is a problem worth noting at present.

In the "Decision on the Reform of the Economic System," the CPC Central Committee pointed out that "we must take party rectification as a prod to the economy and the economy as a test of the party rectification effort. Simultaneously with the process of reform, we must strengthen leadership over party rectification." Economic reform is a major issue concerning the establishment of a lively and dynamic socialist economic system in our country. We should pay attention to the matter and direct intensified efforts to that end. An important task of economic reform is to correct those defects incompatible with economic development and obstructive to modernization, among them extremely harmful bureaucracy and the unhealthy practice of abusing power to serve private ends. If in the rectification-correction process we refrain from seriously investigating and handling grave cases of bureaucracy and improper use of power to serve private ends, there is the risk of the rectification-correction effort being carried to excess and the economic reform being marred in its healthy development. The first-stage party rectification involves mostly leadership organs at and above provincial, city, bureau and department levels. The proper handling of the rectification-correction effort will pave the way for units involved in the second stage of party rectification. The way in which the CPC Committee of Heze Prefecture, Shandong investigated and handled the problem of bureaucracy involving the prefectural foreign trade company is quite worth our serious attention.

Bureaucracy and the practice of abusing power to serve private ends do serious harm to the state and the people, produce a very harmful effect, and are anathema to the masses. But why should some leading comrades be less than ambitious on the matter of investigation and action? Some are full of misgivings and fearful of facing matters head on. Some are afraid of pulling out the carrots and with them their protective mud, thus involving themselves. Some are afraid of offending others, and take a conciliatory and lenient attitude where a third party pleads for mercy, and give up doing what should be done -- which is a manifestation of lethargy and weakness. Some units have just given publicity to opposition against bureaucratic and other unhealthy practices and

confined themselves to general appeals -- taking empty talk instead of solving actual problems, or getting busy with only general problems instead of concentrating on prominent ones. Some cases involve several departments, but the relevant units cling to their own views, passing the buck to each other.

All these are in themselves manifestations of bureaucracy. Throwing bureaucracy into the battle against bureaucracy is always a futile exercise in eliminating bureaucracy.

At present, the rectification-correction effort is at its crucial stage. Rectification is for the sake of correction. Comparison-inspection is only a matter of unearthing problems. Now we must be serious about correction. We must match words with deeds and practice what we preach. We must act to produce results. Rectification-correction and economic reform are very important tasks. We must take economic reform as the center, closely linking rectification-correction with reform. We must strengthen leadership, and resolutely prevent and overcome any sentiment of taking it easy and shrinking from difficulties and the idea of "getting near to finishing what needs to be done." We must uphold high standards in accomplishing the rectification-correction task.

HU YAOBANG INSPECTS NEI MONGGOL REGION

OW291055 Beijing XINHUA in English 0853 GMT 29 Oct 84

[Text] Beijing, October 29 (XINHUA) -- Chinese Communist Party General Secretary Hu Yaobang stressed the importance of opening China's border areas to the outside world and the necessity of making changes in ideology while visiting Inner Mongolia recently. Today's OUTLOOK weekly carried a detailed account of the visit.

This was one of Hu's seven inspection tours this year. Other were to Guizhou, Sichuan, Hunan, Hebei, Heilongjiang, Shandong and Guangxi. It has become a practice of the Chinese leaders to go to the grassroots levels, discuss policies with local officials and people and solve urgent problems on the spot.

While in Inner Mongolia, Hu discussed with local officials economic development in border areas and pastures. Hu said that border areas must open to the outside world and try harder to extend trade. Greater contacts, both domestic and foreign, Hu said, were a key to prosperity. He urged local officials to hire engineers and technicians from big cities like Shanghai, Nanjing and Tianjin.

Hu also mentioned that the nationwide economic reform would bring about major social changes. To keep abreast, he said, ideology must be ready to change, outworn regulations should be discarded and power decentralized, and life must keep pace with changes in production.

Major social changes, he pointed out, were always connected with, and even first manifested in, changes in the way of life. He cited the 1911 revolution, which overthrew the Qing Dynasty, as an example. After that revolution, tunic suits replaced mandarin gowns, and men no longer wore queues.

The ideological legacy of China's long history, Hu said, was a small-scale peasant economy and a feudal patriarchal clan system rather than bourgeois ideology. Those used to feudalism were "quite mistaken," he said, in rejecting innovation as bourgeois. One must not be afraid of changes in the style of life, he said, adding that he saw nothing wrong with Western clothes or the Western way of eating from individual plates. He urged local party officials to avoid the influence of habit and study economics.

RURAL MARKET THRIVING AFTER AUTUMN HARVEST

HK300815 Beijing RENMIN RIBAO in Chinese 27 Oct 84 p 1

[Report: "China's Rural Market Thrives After Autumn Harvest"]

[Text] According to reports from RENMIN RIBAO reporters from parties concerned, following an overall bumper harvest in our country this year, the rural market has become even more prosperous this autumn. The peak period for the rural market in autumn has come 1 month earlier than usual in many localities.

According to a sample survey of more than 19,000 peasant households in 25 provinces, municipalities, and autonomous regions, the peasants have a greater demand for the supply of commodities this year.

First and foremost are changes in the demand for means of production. With the implementation of the Central Committee's Document No 1, the enthusiasm in production of the broad masses of peasants has risen greatly. This year's sales volumes of cake fertilizers, plastic sheeting for agricultural use, chemical fertilizers, and insecticides have considerably increased. With the development of various specialized households and new economic combinations and the expansion of family-run operations in the rural areas, the peasants urgently want to improve the tools for production and to increase efficiency. Consequently, the demand for machines and mechanical tools for agricultural, industrial, and sideline production has markedly increased. According to surveys, the sales volume of small tractors or walking tractors this year will be 38 percent more than that of last year and the sales volumes of diesel engines and animal feed grinders will be respectively 81.7 and 82.1 percent more than those of last year.

What is worthy of notice is that with the increase in the peasants' incomes, the traditional practices in consumer goods purchases have begun to change in the rural areas. Following the solution of food and clothing problems, the peasants began to pay attention to what they wear. The peasants -- young peasants in particular -- tend to follow the example of city residents. The demand for woolen, silk, and synthetic fiber materials and the demand for leather shoes, rubber shoes, and sports shoes will be greater than those of last year.

The demand in the rural areas for the "four big items" -- bicycles, sewing machines, radios, and watches -- which have always been in great demand, will continue to increase this year. However, the demand for the "new four big items" -- television sets, tape recorders, washing machines, and electric fans -- will increase even faster. The sales volumes of television sets, tape recorders, electric fans, and washing machines will be respectively 75.8, 56, 165, and 484 percent higher than those of last year. Refrigerators are also finding their way into the homes of peasants.

Industrial and commercial departments in various localities are making efforts to organize production and supply according to the new demand for commodities of the peasants. According to forecasts of departments concerned, rural purchasing power will rise further next year. The demand for consumer goods for daily use in particular will increase even faster. The peasants will put forward many new demands concerning what they eat, use, and live in. The principle contradiction at present is that rural commodity circulation still cannot meet the needs of the growing scale of rural commodity production and commodity exchange.

Commentator Urges Meeting Demand

HK300817 Beijing RENMIN RIBAO in Chinese 27 Oct 84 p 1

[Commentator's article: "Attention Should Be Paid to the Big Market in the Countryside"]

[Text] Flowers have turned to fruit and harvest time has come again. This year is another year with an overall bumper harvest. The coming few months will be the busy season for the rural market.

How is the rural market this year? According to a survey of nearly 20,000 peasant households in 25 provinces and municipalities, the peasants' demand for means of production and means of subsistence will markedly increase this year. With the increase in the peasants' incomes and the gradual changing of their traditional practices in consumption, the peasants will advance many new demands, demands on commodities for daily use in particular. We must have a clear understanding of this new situation in the rural market, actively organize production, look for sources of goods, widen commodity circulation channels, and strive to meet the peasants' needs.

Sending manufactured goods to the rural areas and providing an ample supply for the rural market have an important bearing on the overall economic situation. The vast rural areas in our country, with their large population, are an enormous market. The supply and demand in this market has a vital bearing on the national economy. At present, the sales volume in the rural areas accounts for 60 percent of the commodity sales volume of the domestic market of our country. With the continuous development of the rural economy in the future, the peasants' living conditions will constantly improve and this percentage will continue to grow.

An important task in developing the rural market at present is to provide, in a planned way and in accordance with the urgent needs of the rural areas, high- and medium-grade commodities for production use and daily use to be exchanged with the peasants. At present, the income of commune members in many rural areas has increased by a big margin but their production methods and living conditions have not changed much, and purchasing power for consumption of quite a number of peasants cannot be realized. This is because, on the one hand, the peasants of our country are accustomed to plan living and to saving what they earn. On the other, the supply of manufactured goods falls short of demand and the peasants are not able to buy what they want. By the end of July this year, peasants' bank deposits had reached 43.4 billion yuan and, in addition, the peasants have a substantial amount of cash in hand. We should give active guidance to peasants in using their extra money on proper consumption, in accordance with their varying income, and we should also encourage them to make investments in expanding production so that this portion of their purchasing power can be realized. In this way, the peasants' material and cultural life can be improved, currency can be withdrawn, the market can be stabilized, finance can be stabilized, and the urban and rural economy can be invigorated.

"Thrift" has always been a virtue of the peasants in our country. In the new historical period, it should have a new meaning. It should mainly mean paying attention to economic results in production and to appropriate improvement in livelihood. In the past, rural work concentrated on production, which was necessary. Under the new situation, it is still necessary to do a good job in promoting production and circulation, but at the same time, we must also pay attention to consumption. It is incorrect to regard the peasants' reasonable demands for improving their livelihood as being "spendthrift." The purpose of socialist production is to meet the growing needs of the people's daily life.

The growth of consumption in turn will strongly promote the development of production. Not paying attention to giving guidance to the peasants' proper consumption is not conducive to arousing the peasants' enthusiasm in production. Moreover, it will directly affect the development of the commodity production of society. We must break with old outdated ideas, old concepts, and old habits. We must grasp both production and consumption. We must make efforts to provide the rural areas with various marketable and well-orientated commodities so that the broad rural market of several hundred million consumers will become even more thriving and prosperous.

CHEN MUHUA STRESSES FOREIGN TRADE REFORMS

OW300006 Beijing XINHUA Domestic Service in Chinese 1418 GMT 29 Oct 84

[By RENMIN RIBAO reporter Liu Xiao and XINHUA reporter Chen Naijin]

[Text] Beijing, 29 Oct (XINHUA) -- At the national meeting on foreign economic relations and trade, Chen Muhua, minister of foreign economic relations and trade, said in her report that it is necessary to actively improve the foreign trade administrative structure and grasp the five main points in making reforms.

She said: Based on the policy decision made by the 3d Plenary Session of the 12th CPC Central Committee on adopting flexible policies, the reform of the foreign trade administrative structure should not be restricted to the division of power between the central and local authorities and between different departments and regions. We must stress the following five points in carrying out reforms:

- Resolutely implement the principle of separating the functions of government and enterprises and invigorate enterprises. Various types of foreign trade enterprises must gradually separate themselves from various administrations, manage their own affairs independently, assume sole responsibility for their own profits and losses, and follow a specialized and socialized orientation.
- Gradually implement an agent system for export and import business and change China's foreign trade system of purchasing products for export and of allocating what is imported to domestic users in order to improve economic efficiency in foreign trade.
- Rely on correct policies, particularly economic means, to stir up producers' enthusiasm and ensure the fulfillment of the state plans by bestowing political honor and giving financial benefits to enterprises that turn out export products and to foreign trade enterprises.
- Foreign trade must be integrated with industry and with the introduction of advanced technology. Export must be integrated with import. Departments must promptly furnish enterprises with information on how to strengthen management on major issues, do a good job in making overall plans, and improve coordination so that the aforementioned integration will serve the general interests and those of the state.
- While giving full play to the enthusiasm of various quarters, ensuring flexibility in management, and paying attention to management on major issues, the principle of a unified approach to doing business with the outside world should be pursued in order to promote production and foreign trade. Chen Muhua said: Foreign trade is the link connecting the markets at home and abroad; it plays a particularly important role in developing the modernization program. However, China's foreign trade still fails to keep pace with the needs in developing the four modernizations program, with China's open-door policy, and with China's international status.

In the face of the brisk market at home and the keen competition in the international market, China can only find its way out in foreign trade by resolutely reforming its foreign trade administrative structure.

The current national meeting on foreign economic relations and trade, which opened today, will discuss how to reform the foreign trade administrative structure in the country and work out foreign trade plans for 1985 and for the Seventh 5-Year Plan period. Attending the meeting were responsible persons from various provinces, municipalities, autonomous regions, and cities; responsible comrades from economic and foreign trade departments (commissions); and responsible persons from the various departments and commissions concerned under the State Council and from those national companies engaged in foreign trade.

GUANGMING RIBAO CALLS FOR HEALTH SERVICE REFORM

HK300942 Beijing GUANGMING RIBAO in Chinese 25 Oct 84 pp 1, 4

[Article by Cui Yueli: "Some Thoughts on Health Service Reform" -- capitalized passages published in boldface]

[Text] Our country is about to speed up construction in the area of public health services. In addition to increasing funds for public health services each year, it is also necessary to comprehensively reform the public health service, to make policies less restrictive, to simplify administration, to delegate greater power to lower levels, to pool funds by various means, and to make development of public health services more comprehensive in order to enliven it. Thus, it is necessary to clarify the following points in the policies:

1. THE CENTRAL AUTHORITIES, THE LOCALITIES, AND THE DEPARTMENTS SHOULD SIMULTANEOUSLY CONTRIBUTE TO DEVELOPMENT OF PUBLIC HEALTH SERVICES AND THEY SHOULD JOINTLY DEVOTE EFFORTS

For a long time our principle of "monopoly" has affected the development of public health services. In order to speed up construction in the public health services area, it is necessary to discard this principle and to fully arouse people's enthusiasm for building hospitals. In this way, people can jointly develop public health services. Under the financial system currently in force, construction in the local public health services area is principally carried out with local investment. It is hoped that local governments at all levels will pay close attention to construction in the public health services area and will spend more money on developing those organs responsible for medical services, prevention of diseases, and health care. It is also hoped that the industrial and communications enterprises and the departments will build their own health care units, which are also open to the public. The departments and the enterprises may also cooperate with the departments in charge of public health services in building public health service organs. In this way, they can benefit one another.

An important way to solve the problem of our having not enough organs responsible for medical services, prevention of diseases, and health care in the cities, townships, and market towns is to develop collective public health groups. We enthusiastically encourage collective economic organizations, cities, towns, and neighborhood organizations to build medical and public health facilities, encourage democratic parties and mass organizations to build public health institutions, and encourage retired medical workers to pool funds for building public health facilities. In addition, we allow some medical workers of those units with excess technical workers to claim leave without pay in order to build public health groups. It is necessary to respect the ownership and independence of the collective public health organs.

The collective public health groups should undertake independent accounting, assume sole responsibility for their own profits and losses, give more pay for more work, and be democratically administered.

Individual practitioners can supplement our socialist public health service. We feel that all parts of the country should enthusiastically organize those qualified medical workers and those medical workers who have passed examinations (including dispensers of herbal medicines and those proved to be really proficient in particular fields of medical service) and yet who are temporarily jobless; and those retired medical workers to run clinics, to practice, to provide consultation service in the dispensaries, to provide midwifery services, to provide special care, to give people medical check-ups, and to provide radiomedical services and health care advisory services. Individual clinics are allowed to have dispensaries and individual practitioners can have one or two assistants or apprentices. Retired medical workers providing medical services are still entitled to their pensions.

In the rural areas, the public health organs under the administrative villages (brigades) provide the masses with easy access to medical services and this is a favorable condition for production. Therefore, they should be properly run. It is necessary to choose the proper forms of medical service on the basis of the economic and geographical conditions of the localities and in compliance with the desire of the masses. Authorities at higher levels should not fix unified patterns. These medical workers may charge people consultation fees. Cooperative medical services and other methods are also permitted. Rural medical practitioners and barefoot doctors should help prevent diseases, provide mother and child care services, or be responsible for the technical work involved in family planning. The administrative villages (brigades) should give them appropriate subsidies. In poverty-stricken areas, local governments should provide help and subsidies.

2. REFORM THE MEDICAL EDUCATION AND SCIENTIFIC RESEARCH MANAGEMENT SYSTEM

In order to speed up the training of talented people so as to upgrade the knowledge of health workers, the state as well as the collective and individual should be allowed to invest or jointly muster funds in running medical schools. Under the prerequisite of accomplishing the enrollment task, full-time medical colleges should be allowed to extend their enrollment. They may enroll students studying at their own expense as well as students from other departments, localities, and collective units. In order to train health workers from the rural, remote, and minority nationality areas, the prefectures and cities which have the conditions should gradually set up medical colleges and vigorously develop colleges of nationality medicine. It is necessary to encourage doctors of Chinese and nationality medicine to train apprentices (including their children). If they prove qualified after examination, they will be given relevant titles. Then they may practice medicine by themselves, work in joint clinics, or be employed by the medical units.

It is necessary to actively promote the mobility system of talented people, to encourage health workers to work at grassroots levels and in the rural areas and border regions, and to support the exchange of talented people between various localities. Regarding the method of mobility, talented people can be transferred to units where they are needed or be invited to work in those units on a contract and part-time basis. They do not necessarily have to transfer their residence registration and may return to work in their former units after a period of time. It is necessary to give preferential treatment to health workers working at the grassroots levels, in rural areas, and border regions. They should have the opportunity to engage in advanced studies every 3 years in order to upgrade their knowledge.

The medical science research system should be reformed in light of the characteristics of medical science. According to different units and subjects, the systems of signing contracts with user organizations that list remunerations, scientific research funds, contracted responsibility, and so on may be adopted respectively in order to achieve the best results with less investment. Meanwhile, the collectives and individuals should be encouraged to run medical science research institutes and to practice independent accounting and to assume sole responsibility for their profits and losses.

3. IT IS NECESSARY TO EXTEND THE DECISIONMAKING POWER OF THE PUBLIC HEALTH INSTITUTIONS OWNED BY THE WHOLE PEOPLE AND TO IMPROVE OPERATION AND MANAGEMENT.

Public health institutions at all levels should implement the system of directors of the hospitals, medical centers, and clinics assuming sole responsibility. The directors of hospitals, medical centers, and clinics should be appointed by the higher levels or democratically recommended by the masses to the higher authorities for approval. The term of office is generally three to four years and they may be reappointed after election. The recruitment system will be practiced for other cadres and the contract system for workers. Apart from renovation and general purchases, the system of assuming contracted responsibilities for fixed quotas will be implemented in the expenses subsidized by the state to hospitals. After the expense quotas are fixed, the units will have the right to allocate and use the expenses. With the approval of the leading comrades of the State Council, the Sino-Japanese Friendship Hospital recently worked out a provisional scheme for reform according to this spirit, conducted all-round reform, and adopted new methods for running new hospitals. Other public health institutions should implement the method of drawing up their own budgets. The public health institutions should implement various forms of the management responsibility system which combine their responsibility with their rights and benefits and which are suited to the characteristics of the public health units. Under the condition of not changing the ownership, the district and township hospitals and other small medical institutions owned by the whole people may carry out administration according to the methods of the collective ownership and may also be contracted to the staff and workers for management.

In the course of reform, the medical and public health institutions have done a lot of work to improve management and stop extravagance. They have expanded services and improved their medical quality. They have also increased their income. This is worth commending. It is necessary to draw a certain amount of money from the expenses saved to serve as bonuses. However, it will impede the initiative of public health workers if the amount of bonuses is not allowed to exceed the one and a half month wage limit. We hold that the bonuses of public health units should be allowed to exceed the one and a half month limit provided the amount is drawn from a reasonable increase in income and that it conforms to the principle of the state getting the biggest share, the collective getting a smaller share, and the individual getting the smallest share. We should also practice the method of imposing no ceiling or lower limit on bonuses.

There is a shortage of public health workers in China at present and many of the available health workers are actively undertaking medical work and preventive measures after their normal working hours. On the premise of accomplishing the quotas assigned to them, the doctors, nurses, and midwives must be allowed to receive patients, practice midwifery, take care of patients, and engage in other medical and public health services at their homes in their spare time. They may charge reasonable fees for the services and they will keep the income obtained for themselves. Thus, they can benefit society as well as the patients and themselves.

PLA PAPER SAYS KNOWLEDGE KEY TO REVITALIZATION

OW260751 Beijing Domestic Service in Mandarin 0200 GMT 26 Oct 84

[JIEFANGJUN BAO commentator's article; "Rely on Knowledge To Revitalize China"]

[Text] We must rely on knowledge and talented personnel, not on idle dreams and foolhardy work, to accomplish the four modernizations. When Professor Qian Quesen decided to end his wandering life overseas and return to China, the U.S. authorities unjustifiably delayed his trip for 5 years, because they considered that Qian is worth five army divisions. Each of the 13 major inventions awarded by the 1983 national science conference has an annual economic value of over 10 million yuan. Six of these inventions are each worth more than 100 million yuan annually. Facts have eloquently borne out that knowledge and talented personnel are of utmost importance to the modernization drive.

The recent 3d Plenary Session of the 12th CPC Central Committee adopted the CPC Central Committee's Decision on Reform of the Economic Structure. Comrade Deng Xiaoping said that all 10 of the guidelines set out in the decision are very important, and of particular importance is the ninth guideline, which stresses respect for knowledge and talented personnel. During the 10 years of turmoil, Chinese intellectuals were treated like dirt. During these 10 years, talented personnel were persecuted and culture destroyed, the national economy verged on collapse, and the gap in science and technology with the advanced countries greatly widened. This painful lesson must never be forgotten by our people for generations to come. A nation deprived of its culture and talented personnel can never be prosperous. With the advent of the new technological trends, we need tens of millions of talented personnel for the modernization drive and to revitalize China. Showing no concern for knowledge or for talented personnel would adversely affect our great cause.

Since convocation of the 3d Plenary Session of the 12th CPC Central Committee, the Army has increasingly shown more respect for knowledge and talented personnel. Great achievements have been scored in implementing the policy on intellectuals. However, what we have done still falls behind what is needed for military modernization. Some units and comrades still harbor outworn ideas and bias, belittling science and technology, intellectual development, and intellectuals. In studying the decision of the 3d Plenary Session of the 12th CPC Central Committee, we must continue to eliminate these obstacles in a practical manner, and change the way we look at knowledge and talented personnel.

RENMIN RIBAO EXPLAINS TASK OF THEORETICAL WORKERS

HK290958 Beijing RENMIN RIBAO in Chinese 25 Oct 84 p 5

[Article by Wang Xiaoqing: "An Arduous Task for Theoretical Research Workers"]

[Text] Reading the documents of the third plenary session has greatly inspired me and given me more confidence in invigorating the Chinese nation. However, being a theoretical research worker, I feel that I am under some heavy pressure. Looking from the angle of the progress of reforms, our research work indeed lags far behind. Much remains to be done in research work which has an important bearing on guaranteeing the successful carrying out of reforms.

Following the price system reform, there will be fundamental reform in the state's entire economic management system and its functions, and separation of government administration from enterprise management will bring about the reorganization of the entire social structure. To ensure the successful carrying out of reforms, it is necessary to study and solve a large number of problems concerning establishing and enforcing a perfect economic law, concerning a series of new macroeconomic regulation and control levers such as auditing, taxation, banking, and finances, and concerning a huge professional contingent operating the levers, in order to enliven the microeconomy and to bring into play in a "lively and orderly" manner the role of the macroeconomy in regulating and controlling the microeconomy.

From the very beginning, the reforms have not been a purely economic action. Since enterprises began to assume sole responsibility for their profits and losses, great changes have taken place in the relationships between operators and producers, between the party and the government, between the government and enterprises, between the party and government and operators, and between the party and government and producers, and an urgent need has arisen for carrying out not only the study of economics, but also the study of social sciences and politics. In this respect, much has been left undone. This deepgoing social change involves not only the people's material interests, but also various aspects of social life such as political interests, the concept of value, and self-assessment. Economic policies are fundamental, but the readjustment and formulation of relevant social policies are also an indispensable guarantee for successfully carrying out reforms.

Theoretical study of major problems is also indispensable for reforms. As early as at the 12th CPC National Congress, the CPC Central Committee explicitly put forward the profound theory of "building a socialist country with Chinese characteristics." In the commodity economy, the capitalist commodity is one type and the socialist commodity economy is another. Even in the capitalist commodity economy, there is the American type and the Japanese type; and in the socialist commodity economy, there is the Soviet type and the East European type. What special road will China take, after all? This is not a question that can be answered with some empty, dogmatic concepts, nor is it a question which can be explained in simple terms concerning commodity exchanges. Developing a planned commodity economy is our target. Under this prerequisite, what specific economic system and social structure we should establish and what specific road with Chinese characteristics we should take depends not only on the progress of reforms, but also on the study and exploration of combining theory with practice.

In short, I feel that reforms are the process of creating new things. The central decision on reforms has pointed out the direction of reforms. Only by redoubling our efforts and strengthening our investigation and study, can we make achievements.

TECHNOLOGICAL REVOLUTION, NATIONAL STRATEGY VIEWED

HK290955 Beijing RENMIN RIBAO in Chinese 19 Oct 84, p 5

[Article by Li Chang: "The New World Technological Revolution and China's Development Strategy"]

[Text] The current new technological revolution and the resulting new industrial revolution -- namely the trend of partially replacing man's mental labor with machines, carrying out production with machines, and bringing about both processing and management automation -- will have a great impact on the whole world.

In this situation of a new world technological revolution, how should China's development strategy, formulated by the 12th CPC National Congress, be implemented? Particular attention should be paid to the following vital issues.

Bring the Superiority of the Socialist System Into Play, Conduct Reforms in the Economic System, and Develop Socialist Commodity Production.

Historically, capitalism triumphed over feudalism because, compared with the feudal system, the capitalist system has higher labor productivity and a higher production growth rate.

Can we give full play to the superiority of the socialist system and achieve labor productivity and a growth rate higher than those of the capitalist system? It is entirely likely because, first, the socialist system is the latest, most rational system of human society, under which there is no fundamental contradiction between the socialization of production and the private possession of means of production, a contradiction inherent in capitalism, and no periodic economic crises. Second, our means of production are owned by the state, the collective, and the individual (a few), working people are producers as well as owners of production means; and with the introduction of the principle of combining responsibility, authority, and benefit, working people participate directly in the management sector, thus becoming highly enthusiastic in production. Third, only when we effectively implement the policy toward intellectuals and bring their role into full play can our country vigorously promote the rapid expansion of its science and technology and production. Fourth, the policy of opening to the outside world adopted by China to promote economic cooperation with other countries will speed up the pace of economic development.

The question of agricultural development has seemed for quite some time to be China's longstanding, big, and difficult problem. With the implementation in agricultural production of the system of contracted responsibilities with payment linked to output, there has been an unexpectedly great turn in agriculture, thus pushing China's economic prosperity ahead. Now this experience is being spread in the cities with a view to reforming the economic system, smashing the two kinds of "same big pot," and developing socialist commodity production. It can be anticipated that with the cities and the countryside promoting each other, China's economy will grow at an even more accelerated pace.

It must be said that instituting the responsibility system and developing socialist commodity production are a breakthrough in the theory and practice of socialist construction of the party and the people. We have now discovered the victorious road of socialist construction.

However, not all the cadres and people throughout the country know this path of developing socialist commodity production very well. This is manifested in the fact that many organizations at the basic level and many individuals have not yet become economically minded, quite a few enterprises have not yet really taken the attainment of better economic results as the most important accounting targets in carrying out their economic activities, and some departments and localities have not yet carried out reforms with economic construction as the center. Appropriate circulation is indispensable to production expansion and the same is true of communications and telecommunications. None of the "three sectors" -- circulation, communications, and telecommunications -- have ever met the needs of socialist commodity production development.

This state of affairs can be attributed to three factors. First, the traditional small peasant economic mentality has played a role in this connection.

Second, the previous long-practiced supply system and fixed wage system among the broad ranks of cadres had nothing to do with the results of production and, as a consequence, some departments and localities neglected production and economic matters. Third, and more importantly, the "leftist" erroneous ideas have not yet been overcome. The previous argument asserting commodity production to be the capitalist tail has, until the present day, caused fear among a considerable number of people. They are afraid of becoming better off through labor and are worried about doing economic analysis using money -- that yardstick of value.

In view of this situation, it is necessary to conduct publicity and education work on a large scale in order to make sure that the broad ranks of cadres and the masses can profoundly understand and conscientiously follow the path of economic construction with Chinese characteristics, foster economic concepts, pay close attention to economic results, and persist in vigorously developing socialist commodity production. This will tap the greatest potential for China's socialist modernization.

Reform the Management (Planning) System and Advance the Four Modernizations Program

In carrying out the four modernizations program, there must be effective management.

Management includes plans and organizational measures worked out according to an enterprise's strategic goal, comprehensive balance, inspection, and summation, of which planning is particularly important.

As far as management is concerned, construction enterprises should handle well the relations of such factors as manpower, resources, funds, technology, and planning. What counts in this connection is reforming the planning management system. First, in working out state plans, it is necessary to do a good job in making forecasts and in striking a comprehensive balance in the whole of society in accordance with the needs of developing socialist commodity production. Efforts should be made to properly control the production of important goods, to appropriately reduce the scope of mandatory planning, to expand the scope of guidance planning, to further loosen control over the production of small commodities, and to carry out regulation by the market mechanism. All industries and trades should continue to make consolidation in production a success, work hard to improve quality, cut production costs, make sustained efforts to boost production and to practice strict economy, turn losses into profits, and manage to bring about a simultaneous increase in industrial output value, realized profits, and taxes and profits handed over to the state, so that state and enterprise revenues and working people's incomes can increase considerably and steadily.

Second, in the capital production and mining sectors, we should institute a contract system both in the undertaking of projects and in the use of the work force in order to combine manpower directly with material production conditions and raise labor productivity; we should practice a dynamic balance, promote rapid circulation of capital and goods, accumulate more funds in a snowball manner, and run more enterprises; and we should simultaneously develop large, medium-sized, and small enterprises and individually run businesses, and combine manpower, funds, resources, and technology.

Third, we should ensure the development of key industries. Significant successes have been scored in agriculture, thus giving impetus to all industries and trades. Forestry, animal husbandry, and fishery are still weak; sideline occupations have yet to be developed further. Energy -- that vital issue -- is far from being resolved. As far as energy resources are concerned, we change our method from economizing on them, to avoid their running short, to making full use of them and accelerating energy exploitation. This is a timely, correct policy.

Fourth, in reforming the existing planning system, we should establish a multilevel comprehensive planning system using systems science as a guide. Central authorities, provinces, cities, counties, townships, production brigades, and grassroots enterprises or units should have their own economic plans and combine macroeconomic, intermediate-scale, and microeconomic plans from top to bottom and vice versa. At the same time, we should also establish economic zones and work out development plans for them with territorial (regional) economics as a guide so that they can bring into play the economic strong points of different localities, resolve their common problems, and organize economic cooperation among the specific localities.

Implement the Policy on Modern Technology Gradually

Compared with developed countries, the level of China's productive forces is low. Such being the case, it is obvious that China cannot enter a post-industrial [hou gongye 0683 1562 2814] society as quickly as developed countries have. Of course, we should, rather than starting with every link in the process of industrialization, establish and develop a constantly evolving system of technology which promises the greatest economic results in the light of China's realities and with modern scientific knowledge as the guide, in order to accomplish the four modernizations gradually. For this purpose, we should formulate principles and policies for our economic construction on the basis of the fundamental and latest knowledge in both social and natural sciences, and comprehensively apply contemporary basic science, applied science, economics science, and management science in directing the four modernizations program. In socialist construction, we should uphold dialectical materialism, bring about a coordinated development in scientific and technological, economic, and social progress, and achieve a dynamic balance in planning. In the struggle to transform nature, we should adhere to the use of ecology and environmental science. At the same time, our system of technology should be composed of contemporary high technology, imported advanced technology, the new technologies which we have discovered and innovated, and traditional technologies which are applicable; and, as time goes by, it will be enriched continuously in substance.

Production determines the development of technology and technology affects the industrial pattern and the development trend of various industries to a certain extent. In a particular period, China's industry can be divided into the following sectors: 1) Agriculture. This is the foundation of China's national economy. The introduction and perfection of the responsibility system has made the extensive application of science and technology possible. China's agriculture is advancing toward a commodity economy. 2) Energy. It has a bearing on the national economy's overall situation and the people's livelihood. At present, the state and all localities should give top priority to the energy industry and help invigorate the industry in planning, policy matters, financial resources, and science and technology. 3) Basic industries. They include textile, food, feed, building, building materials, machine-building, metallurgical, chemical, electric appliance, and instrument and meter industries, which form the main body of China's industry. We should transform them step by step with advanced and new technologies and spread the use of sophisticated technology among them in a selective way in order to raise product quality, cut production costs, and make their products more competitive in international markets. 4) The new rising industries related to such sophisticated technologies as microelectronics and computers. Particular efforts should be made to speed up the popularization and application of microcomputers and bioengineering. From an overall and long-term point of view, if we fail to do so, it will be difficult for the economy to take off.

Therefore, we should implement the fundamental policy of the party and the state, a policy which stipulates that we should rely on scientific and technological progress in carrying out economic construction and gear science and technology to the needs of economic construction, give full play to the crucial role of science and technology in the realization of the four modernizations, and reform the science and technology system. At present, urban and rural areas are carrying out reforms in the economic system and expanding the decisionmaking power of enterprises in management and operation. This has created conditions for enterprises to use science and technology and more financial resources and given a tremendous impetus to the development of science and technology in economic terms, thus ensuring that science and technology are geared to the needs of economic construction.

Advance and Reform Education, Ensure the Rapid Development of the Four Modernizations in Terms of Intellectual Resources

Talented people and the intelligence of working people are indispensable to our effort to make China's economy comparatively developed and to bring about proper advances in socialist material and spiritual civilization. However, there are still many problems in this respect. We should therefore develop education vigorously and conduct reforms in education.

Education is an undertaking for training both Red and expert able people and qualified laborers for socialist modernization. In the coming 5 decades, China will enter a stage of tremendous development and massive study and creation, advancing from being poor to being rich and from being backward to being advanced. Education will play a decisive role in this respect.

We should change the outmoded concept that regards education as a nonproductive department that only spends money and produces no economic results. From a long-term viewpoint, the educational cause is a productive institution that determines the destiny of the country and the future of the nation.

Therefore, we should carry out reforms and set up multitier schools and run them through various channels. This will boost the enthusiasm of the central authorities, local authorities, collectives, individuals, and units of all trades and professions and help organize the scattered potential financial resources, teachers, and leadership administrative personnel and promote the development of schools of various types.

It is often said that without a satisfactory solution to the energy problem, economic construction will have no staying power. It can also be said that if we fail to do a good job in education, the whole nation also will have no staying power in rejuvenating China in the several decades to come. The enrollment rates for primary, middle school, and university students are important indications of the social progress of a specific country and also one of the yardsticks for judging the level of intellectual development in that country. In the new situation, in which the world has entered an era when both processing and management automation are widely applied and information and knowledge have turned into a direct productive force, only the localities, departments, counties, townships, and grassroots units that are advanced in education can genuinely give full play to their superiority over a long period of time.

All policy decisions formulated by our party in a realistic way will invariably succeed.

The party's present guidelines for carrying out socialist modernization, firmly conducting reforms, and creating a new situation in all fields of endeavor are constantly shaped by pooling the opinions of the masses, thus representing the interests of the people. We should combine the solution of important state and collective problems with that of the most urgent problems of the masses, and mobilize the enthusiasm of the broad masses of people. Together with the broad ranks of party members, cadres at various levels should give play to their exemplary vanguard role. In this way, the party can bring along hundreds of millions of people by relying on key and advanced elements and our socialist cause will certainly advance rapidly.

COMMENTARY HAILS MINISTRY'S ADVISORY FUNCTION

OW282130 Beijing XINHUA Domestic Service in Chinese 0025 GMT 28 Oct 84

[XINHUA commentator's article: "This Is a Good Adviser" -- XINHUA headline]

[Text] Right now, China's superstructure is being transformed to separate the functions of government and enterprises, streamline administration, and institute the decentralization of power. Many central and local government departments are faced with the question of how to keep up with the new situation and rapidly improve their leadership. In this respect, the Ministry of Electronics Industry has furnished an enlightened example by becoming a good adviser to the 14 coastal cities trying to further open themselves to the outside world.

According to a State Council decision, these coastal cities have enjoyed fairly greater economic power in deciding their own affairs. They now have considerably greater authority to do things-- authority that was originally the purview of the government departments at the central and provincial levels. Under this situation, the government departments at the central and provincial levels must not refuse to decentralize power, nor should they leave those coastal cities alone and refuse to have anything to do with them. They must follow the example set by the Ministry of Electronics Industry which boldly let the coastal cities develop the electronics industry while actively providing them with the proper guidance and becoming their adviser. As seen from the results and the responses from some coastal cities, this ministry is certainly a good adviser!

The "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee pointed out: The central and local governments "took responsibility for many matters which were not really theirs and at the same time did not do well what they ought to have done." This decision has once again clearly defined the functions of the government organs in managing economic affairs. It can be seen from this decision: There are many tasks that the government departments failed to do well and there are many areas where the basic-level units and enterprises badly need help. In this respect, the government departments can do a great deal to help these units and enterprises.

Many enterprises and basic-level economic units are highly enthusiastic about developing production and construction. However, it cannot be denied that the information they have compiled is only partial and they are unable to understand the overall situation in determining the correct orientation in the manufacture of products and in developing technical innovations. As a result, they often act blindly and find it difficult to achieve the expected results with the labor and the material and financial resources they have invested. On the other hand, the government departments have the conditions for evaluating the overall situation.

They are able to understand the current situation and trend in carrying out production on a large scale, and improving technology and marketing. They can make use of these favorable conditions to help guide the basic-level units and enterprises to stop acting blindly and to carry out production and construction even more effectively. It is precisely for this reason that the Ministry of Electronics Industry's practice in becoming an advisor to the 14 coastal cities is welcome.

It should be said that becoming an adviser to basic-level units and enterprises is not too difficult. However, government departments accustomed to issuing orders need to change their practice of making enterprises and basic-level units completely dependent on the government departments. Instead they should serve enterprises and other grassroots units. This is not only a change in function, but also a change in thinking and work style. The Ministry of Electronics Industry's practice shows -- that such a change is not only inevitable, it should be accomplished as quickly as possible.

ZHAO WEICHEN ON ECONOMIC, TECHNICAL COOPERATION

OW291001 Beijing Domestic Service in Mandarin 0630 GMT 28 Oct 84

[Talk by Zhao Weichen, vice minister of the State Economic Commission: "Bright Prospects of Economic and Technological Cooperation." -- recorded; date and place not given]

[Excerpts] Dear listeners and friends: Over the past few years economic and technological cooperation and mutual support between counterparts have broken the barriers between departments and regions, fostered rapid progress, promoted lateral economic relations, strengthened regional cooperation and exchanges, enlivened the economy, and developed socialist productive forces. Now I would like to talk about the development of economic and technological cooperation and mutual support between counterparts in the country.

1. Rapid development of national economic and technological cooperation over the past few years.

Since the 3d Plenary Session of the 11th CPC Central Committee, we have consistently scored successes in national economic readjustment, the principle of opening to the outside world and enlivening the economy has been thoroughly carried out, and the national economy has enjoyed a booming situation previously unknown in China's history. Since the beginning of this year, under the new situation of reform and opening to the outside world, the State Council decided that the program for further expanding the autonomy of state-run industrial enterprises should remain unchanged for a long time to come. It decided to further open 14 coastal port cities and Hainan Island in order for regional economic and technological cooperation to be further invigorated and expanded. At the initiative of Comrade Hu Yaobang, Yunnan, Guizhou, Sichuan, and Guangxi in southwest China, held an economic cooperation conference in Guilin in April this year. The conference discussed and coordinated the development of the great southwest by promoting economic policies and measures. The conference was of strategic significance to the construction of the southwest region of China. In June, Sichuan Province opened its doors and invited 26 provinces, municipalities, and autonomous regions to discuss economic and technological cooperation in Chengdu. A total of 816 cooperation projects were established at this conference, and Sichuan Province attracted over 200 million yuan in investments. Fujian, Jiangsi, and Hunan Provinces established long-term economic and technological cooperation relations beneficial to all parties.

The northwest and northeast regions have also held separate conferences on economic and technological cooperation.

2. Notable social and economic results of economic and technological cooperation.

According to initial statistics, a total of 8,579 cooperation projects were established throughout China in 1983. Over half of these projects were technological cooperation projects, and some 10 percent were integrated economic projects. The total value of these cooperation projects amounted to 4.9 billion yuan. Some central departments and localities have also concluded various cooperation projects in mining, animal husbandry, power development, and building materials production. The total value of these projects amounted to 4 billion yuan. This is unheard of in China's history. Generally speaking, the development of economic and technological cooperation and mutual support between counterparts has broken the barriers between departments and regions and fostered lateral economic relation. This is an active result brought about by economic structure reform since the 3d Plenary Session of the 11th CPC Central Committee; it is an inevitable trend in socialist economic development and conforms with China's needs in developing its socialist productive forces in the new era. Hence, economic and technological cooperation and mutual support between counterparts are not stopgap measures, but an important part of party and state policy for a long time to come. The people's governments at various levels and the concerned departments under the State Council must energetically support this work.

3. New development in economic and technological cooperation.

With the approval of the State Council, a national conference on economic and technological cooperation and mutual support between counterparts was held recently in Tianjin. This conference implemented the central authorities' guidelines on carrying out reform, opening to the outside world, and enlivening the economy. It was the first national work conference for organizing lateral economic relations since the founding of the PRC. Comrades Wan Li, Hu Qili, and Tian Jiyun made important speeches at the conference. Comrade Yang Jingren was also present to give guidance. Premier Zhao Ziyang attached much importance to the conference and gave various important instructions to further unfold economic and technological cooperation. The leading comrades of the CPC Central Committee and the State Council have unequivocally pointed out that a new trail has been blazed in recent years in developing lateral economic relations between provinces, cities, coastal areas and the interior, areas with advanced processing industries and those with rich natural resources, and departments and localities. This is an important channel for enlivening the economy. During the Seventh 5-Year Plan period we must actively promote and strengthen such lateral economic relations in order to establish economic networks and zones with differing characteristics. Economic and technological cooperation is a very lively and fruitful form of cooperation and an important component of the country's planned economy. We must, therefore, strengthen plans and guidance and promote the smooth progress of this work.

ZHANG JINGFU ON TESTS FOR ECONOMIC MANAGEMENT CADRES

OW272204 Beijing XINHUA Domestic Service in Chinese 1228 GMT 27 Oct 84

[Text] Beijing, 27 Oct (XINHUA) -- The third plenary session of the State Commission for Guiding the Examination of Economic Management Cadres today decided to regard the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure" adopted by the 3d Plenary Session of the 12th CPC Central Committee as an important subject in conducting the unified examination for the second group of managers and plant directors.

Zhang Jingfu, state councillor and chairman of the State Commission for Guiding the Examination of Economic Management Cadres presided over the session and delivered a speech. He said: Practice has proved that conducting a unified state examination is an effective measure in encouraging managers and plant directors to study. Various districts and departments must consider the unified examination an important measure to make managers and plant directors earnestly study and master the guidelines laid down by the documents of the 3d Plenary Session of the 12th CPC Central Committee.

Zhang Jingfu pointed out: Managers and plant directors must meet high educational standards. From now on, managers and plant directors must not only have a college education in the fields of physical sciences or engineering, but they should also have a college education in management. Under the same conditions, those who have passed the state unified examination and have shown superb abilities in organizing and directing people must be given job assignments first. Zhang Jingfu called on various districts and departments to do a good job in running institutes for training economic management cadres, particularly the several key institutes for economic management cadres.

This session also decided to conduct the unified state examination for the second group of managers and plant directors on 14 and 16 January 1985. Some 30,000 managers and plant directors in the fields of industry; construction; commerce; foreign trade; railways, communication, posts, and telecommunication; civil aviation; supply; and power industry will take part in the examination. Subjects in the examination include the "Decision of the Central Committee of the Communist Party of China on Reform of the Economic Structure," the basic guidelines and policies on China's socialist economic construction since the 3d Plenary Session of the 11th CPC Central Committee, and basic knowledge in enterprise management.

WAN LI, HU QILI MEET OUTSTANDING YOUTH ACTIVISTS

OW291402 Beijing Domestic Service in Mandarin 1200 GMT 28 Oct 84

[Text] Yesterday afternoon leading comrades at the central level Wan Li, Hu Qili, and Hao Jianxiu had a cordial meeting with 14 urban reform youth activists from various parts of the country and members of an observation group formed by outstanding young plant directors and managers from Shanghai, who had come to Beijing to exchange experiences at the invitation of the CYL Central Committee. At the meeting Hao Jianxiu warmly praised the young reform activists on the production forefront for their achievements and exemplary deeds in carrying out reforms. Hao Jianxiu expressed the hope that in implementing the decision adopted by the 3d Plenary Session of the 12th CPC Central Committee, the young reform activists would, first of all, put an emphasis on studying, understanding, and assimilating its contents. Only thus, she said, is it possible to understand deeply the spirit and essence of that decision and create new ways to carry out reforms.

This morning the CYL Central Committee and the China Enterprise Management Association cosponsored a discussion and experience-exchange meeting for the young reform activists and economic public figures from the capital. Over 100 people attended the meeting, including Yuan Baohua and Zhang Yanning, vice ministers of the State Economic Commission, as well as responsible persons from departments concerned, noted scholars and economics professors from Beijing, and some enterprise representatives.

CHEN MUHUA PROMOTES FLOWER CULTIVATION

OW280037 Beijing XINHUA Domestic Service in Chinese 1222 GMT 27 Oct 84

[By reporter Yang Huimin]

[Excerpt] Beijing, 27 Oct (XINHUA) -- "Developing flower cultivation is conducive to building socialist spiritual and material civilizations." This was what State Councillor Chen Muhua said today when she was meeting with the students of the first class of the flower cultivation and gardening techniques study class.

Chen Muhua said: During the "Cultural Revolution," flower cultivation was criticized as "revisionism" and "bourgeois lifestyle." Now, we should justify flower cultivation. We should grow flowers not only in gardens, but also along roads and streets and in yards. Flowers can beautify our life and our cities. They also can mold our temperament. She added: Flowers are important commodities in great demand at home and abroad. Our country has a vast land, many varieties of flowers, and abundant natural resources. However, we have not yet taken advantage of these favorable conditions. We should promote coordination among scientific research, cultivation, and marketing; develop flower production; and strive to become a flower exporting country soon.

Chen Muhua also expressed her views on scientific research, storage, transportation, and freshness preservation techniques for flowers; training of technical personnel; and unified planning for scientific research and production. The flower cultivation and gardening technique study class is co-sponsored by the plant society and the editorial department of ZHIWU ZAZHI [PLANT JOURNAL]. There are more than 100 students in its first class.

DENG LIQUN AWARDS RETURNING BALLET TEAM

OW270329 Beijing XINHUA Domestic Service in Chinese 1741 GMT 26 Oct 84

[By reporter Qin Jie]

[Excerpt] Beijing, 26 Oct (XINHUA) -- The Ministry of Culture this evening held a tea party to warmly welcome the victorious return of the Chinese Ballet team which took part in the fourth Osaka world ballet tournament in Japan. Comrades Deng Liqun, Zhu Muzhi and Zhou Weizhi issued letters of commendation and cash awards to the team members. Deng Liqun spoke at the party, praising the achievements won by the team and hoping that more and better young ballet performers will emerge in our country.

China, the Soviet Union, France, Japan, and 15 other countries' 33 pairs of dancers participated in the fourth Osaka world ballet tournament in Japan. Pas de deux was the tournament event.

XI ZHONGXUN, OTHERS COMMEMORATE MEI LANFANG

OW270933 Beijing XINHUA Domestic Service in Chinese 1228 GMT 26 Oct 84

[By reporters Qin Jie and Feng Yingbing]

[Excerpts] Beijing, 26 Oct (XINHUA) -- Some 1,100 literary and art workers gathered at the CPPCC Auditorium on 26 October to commemorate the 90th birth anniversary of Mei Lanfang, the Beijing Opera performer-artist.

Xi Zhongxun, Song Renqiong, Deng Liqun, Ye Shengtao, and He Jingzhi attended the commemorative meeting.

In his speech, Xi Zhongxun, member of the Political Bureau of the CPC Central Committee, praised Mei Lanfang for his ardent love for the Beijing Opera; for his efforts to constantly improve himself; his courage to put forth new ideas; his strong patriotism and political awareness; his honest, tolerant, fair, and sincere attitude toward others; his readiness to help others; and his utmost solicitude and meticulous training of the younger generation. Xi Zhongxun said: We should encourage each other in learning from Mei Lanfang's outstanding character. This would be the best way to commemorate Comrade Mei Lanfang.

Speaking at the meeting, Culture Minister Zhu Muzhi said: In commemorating Mei Lanfang today, we should emulate and carry forward his revolutionary spirit of constantly striving for progress. We should integrate the art of Beijing Opera with our great new times and the broad masses of people in order to create a new situation in the national theatrical art. Vice Chairman of the Chinese Writers' Association Feng Mu spoke on behalf of Chairman of the China Federation of Literary and Art Circles Zhou Yang, paying tribute to and cherishing the memory of Mei Lanfang.

The commemorative meeting was jointly sponsored by the Culture Ministry, the All-China Federation of Literary and Art Circles, the Chinese Dramatists' Association, the Chinese Arts Academy, the the Beijing Opera Institute of China, and the Beijing Opera Institute of Beijing.

LEADERS HONOR NOTED ECONOMIST XUE MUQIAO

OW281700 Beijing XINHUA in English 1624 GMT 28 Oct 84

[Text] Beijing, October 28 (XINHUA) — Noted Chinese economist Xue Muqiao was honored by Chinese state leaders and economists at a meeting here today for his important contributions in the field of economic theory and practice in the past 50 years.

A letter of congratulation sent by Premier Zhao Ziyang today said that Xue had been diligent in economic work and studies for half a century and won general recognition for his contributions. "Your realistic attitude and style of being strict and discreet are highly commendable," Zhao said. "I hope you and all other economic theorists would carry forward this fine style of study, face the reality, tackle new problems constantly and win new successes in the nationwide reform of the economic structure with the cities as the focus."

Present at today's meeting were Communist Party and state leaders Yao Yilin, Tian Jiyun, Bo Yibo, Gu Mu, Deng Liqun, Wang Renzhong, Zhang Jingfu and Song Ping, along with 200 economists and Xue's schoolmates and colleagues.

Xue Muqiao said at the meeting: "The articles I have written, the reports I have made and the work I have done over the last 50 years were but a reflection of the trend of the times."

Xue was born in a small town near Wuxi City, Jiangsu Province, in 1904. He started studying economic problems in China's rural areas in the 1930's. After the founding of New China, he assisted Premier Zhou Enlai and other leaders in handling routine economic work, and participated in unifying the nation's finances and economy, stabilizing prices and transforming private industrial and commercial enterprises.

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He has explored the way to build China as a modern, socialist country suited to its own conditions since late 1978 when the Third Plenum of the Chinese Communist Party Central Committee decided to switch China to large-scale economic construction and socialist modernization.

In his book of studies on China's socialist economic problems published in 1979, Xue summed up the historical experience of China's revolution and construction in the previous 30 years and studied many important economic problems that were yet to be resolved. The 200,000-word book, which drew attention in China and abroad, has been published in Chinese, English, Japanese, French and Spanish. It is a required reading for college students of economics in China.

YE FEI, XIANG NAN ELECTED TO CHEN JIAGENG GROUP

OW271447 Beijing in Mandarin to Southeast Asia and South Pacific 0900 GMT 26 Oct 84

[Text] An academic session on Chen Jiageng [Tan Kah-kee] was held at Xiamen University from 23 to 25 October to mark the 110th anniversary of the birth of the late Chen Jiageng. More than 40 papers from abroad and various parts of China were forwarded to the session. The participants totaled nearly 50 in number, experts and scholars from foreign countries and all parts of the country. They spoke out freely and each aired his own views while discussing the thinking of Mr Chen Jiageng and its development.

A committee for compiling the works of Chen Jiageng was set up at the session. Ye Fei was elected chairman of the committee and Lin Yixin, Xiang Nan, Zhuang Mingli, Hong Sisi, and Zhuang Yanlin were elected vice chairmen. The formation of the preparatory group of a Chen Jiageng study society was also announced at the session.

JIEFANG RIBAO CALLS FOR STUDY OF CPC DECISION

OW300129 Shanghai JIEFANG RIBAO in Chinese 25 Oct 84 p 1

[Commentator's article: "Study Well"]

[Excerpts] the "Decision of the CPC Central Committee on Reform of the Economic Structure," adopted by the 3d Plenary Session of the 12th CPC Central Committee, has been released. The task of prime importance for the cadres, and the masses, and in particular the leading cadres, now is to study it well. Studying the document thoroughly is an important step in implementing the decision of the 3d Plenary Session of the 12th CPC Central Committee.

We advocate that in the course of the study, leading cadres at all levels should conduct investigations and studies at grassroots units, in enterprises, and among the masses. It is necessary to know and study any ideological problems and specific problems emerging in the course of the reform, analyze actual cases, then restudy and comprehend the guidelines of the document in consideration of those problems, thereby enhancing our understanding and truly identifying our thinking with the decision of the Central Committee.

We also advocate that in the course of the study, we should freely speak our mind. It is not strange that some people understand something sooner than others, or different people interpret a thing differently because of different positions, career backgrounds, and educational levels. We should permit lively and thorough discussions in the course of the study. Leading cadres at all levels should guide the cadres and the masses correctly. They should never wantonly put political labels on the cadres and the masses by classifying them as either "reformers" or "conservatives." They should guide the study to proceed soundly in an atmosphere in which democracy is fully displayed, in order to enhance people's ideological understanding, heighten their morale, and promote the work in various fields.

ZHEJIANG SIMPLIFIES ADMINISTRATIVE STRUCTURES

OW300119 Hangzhou ZHEJIANG RIBAO in Chinese 20 Oct 84 p 1

[Excerpt] While correcting mistakes in party rectification, departments of the provincial People's Government have actively simplified administrative structures and procedures and delegated more power to the lower levels since the beginning of this year in order to serve the needs of the grassroots and the economic construction.

Early this year, the provincial CPC Committee and government abolished 68 temporary offices at the provincial level. Since then, departments of the provincial government have adopted the following additional measures:

1. Improve the planning control system and reduce the scope of control. Mandatory planning is replaced by guidance planning in agricultural production. In the procurement of agricultural and sideline products, with the exception of grain, cotton, edible oil, and other staple crops which continue to be regulated under mandatory quotas, control is lifted for all other agricultural and sideline products. Control will also be lifted for grain, cotton, edible oil, and other staple crops after the mandatory quotas are met. The number of industrial products subject to provincial planning has been reduced from 149 to 45.

2. Expand the power of the various cities, prefectures, counties, and provincial government departments in examining and approving capital construction and technological transformation projects, projects involving the use of foreign capital, and the use of foreign exchanges. This has changed the situation of all projects having to be approved by the province and there being too much control and restriction.

3. Promulgate the "10-point regulation" on speeding up the development of township enterprises in our province. The regulation provides for the adoption of more flexible policies toward township enterprises, especially the adoption of a series of support measures concerning business registration, supply of raw and semifinished materials and fuel, the training of qualified personnel and their recruitment from elsewhere, financial revenue and taxation, and capital sources.

4. Reform the circulation structures. With the exception of the fuel supply and marketing stations and the Ningbo Chemical Fertilizer Management Office, as well as a few other units they retain, the provincial Commerce Department and Supply and Marketing Cooperatives have turned over 78 wholesale enterprises to the lower levels and have established 94 various trading centers.

5. Finance and tax departments have revised more than 100 regulations to delegate to lower levels the power of approving tax reductions or exemptions for a number of enterprises, individual retailers, and some new products; to expand the power of the governing departments at the prefectural, city, and provincial levels in approving the use of earned profits to pay off loans for technological transformation; and to reduce the number of products restricted to group purchases. Provincial banks also have delegated more power to their city and prefectural branches in approving loans and floating interest rates.

6. Simplify approval procedures for personnel going abroad, for land requisition, and for revision of administrative districts under the county level.

ZHEJIANG'S WANG FANG SPEAKS ON INTELLECTUALS

OW291233 Hangzhou ZHEJIANG RIBAO in Chinese 18 Oct 84 p 4

[Wang Fang's speech, "Strive To Master Regularity in Work on Intellectuals," delivered at a provincial conference on work on intellectuals -- capitalized passages published in boldface]

[Text] This provincial conference on work for intellectuals is very important. The entire party and society are paying close attention to the intellectuals question. This is not only because intellectuals themselves have many practical problems to solve, but because it is becoming increasingly important to give full play to the role of intellectuals in the current socialist modernization drive. The intellectuals question has become a central issue in socialist modernization. Since its 3d Plenary Session, the 11th CPC Central Committee has made serious efforts to put things to rights on the intellectual question and, in accordance with the new historical conditions, has formulated a series of principles and policies for enhancing intellectuals' enthusiasm. However, have party members and leaders at all levels thoroughly understood the intellectuals question? Have they efficiently implemented the policy on intellectuals? Obviously, we cannot say yes. Our current conference should seriously discuss this question, and strive to enhance the consciousness of implementing the party's policy on intellectuals. Here, I would like to discuss three questions:

FIRST QUESTION: SOCIALIST MODERNIZATION CANNOT PROCEED WITHOUT KNOWLEDGE AND INTELLECTUALS

A new technical revolution is taking shape throughout the world. This revolution tells us: There will be an epoch-making development in science and technology, and in the social productive forces, by the end of this century, and at the beginning of the next. Both economically developed countries in the West, and other developing countries, are paying close attention to this trend. Therefore, we, who are actively carrying out our socialist modernization program, cannot remain indifferent to this new situation. Comrade Zhao Ziyang said on 9 October 1983:

The world's new technical revolution is both a challenge and opportunity for us. Judging from the development of the world's technical revolutions, countries which took the lead in a previous technical revolution may not necessarily be able to do the same in a latter one; countries which lagged behind in a previous technical revolution may not necessarily remain the same in a later one. This has been verified by the fact that the United States and Japan are taking the lead in the technological field by surpassing Britain. If we do our work well, seize the opportunity, and accept the challenge, we may, in the next 10 to 20 years or so, narrow the gap between China and the developed countries in the West, by adopting new technical achievements. If we fail to do our work well, we may lose the opportunity, and the gap between us and economically developed countries will widen. This has a bearing on the failure, or success, of our economic development in the years to come.

To narrow or to widen the gap hinges on whether we attach importance to developing intellectual resources, and whether we value intellectuals and competent people, and allow them to fully play their role. Intellectual resources have become important, because the new technical revolution is based on knowledge and intellect. A new scientific or technological invention can raise productivity several, several score, or several hundred fold. Therefore, intellectuals with knowledge of science and technology will inevitably become leaders of the new technical revolution.

Our party and state have made the strategic policy decision to further open to the outside world, and to accelerate the process of using foreign funds and importing advanced technology. Not long ago, the party Central Committee and the State Council decided to open 14 more Chinese coastal port cities to the outside world, which include our province's Ningbo and Wenzhou cities. This will open vast vistas for the development of Zhejiang's economy. As Zhejiang is a coastal province, lying on the west coast of the Pacific, it has many good natural harbors. If linked together, Beilun, Zhejiang, Ningbo, and Dinghai may possibly become a universal, modern port. The gradual shifting of the world's economic center to the Asian-Pacific region is creating favorable conditions for us to use foreign funds and import advanced technology on the basis of self-reliance. To successfully carry out the policy of opening to the outside world, we must have intellectuals who are well versed in the international economy, trade, monetary affairs, and laws, and who are good at holding negotiations with foreign capitalists. To successfully carry out this policy, we must train a large number of such intellectuals. Opening to the outside world means competition. It is not only an economic and technical competition but, in the final analysis, a competition for competent people.

Modern knowledge is also needed for the management of present-day mass production. The previous managerial method, based on experience, can only apply to small-scale production, using manual tools. If we remain in the stage of experience-based management, we can never achieve modernization. For this reason, we have to rely on intellectuals in order to manage modern mass production.

Currently, there are insufficient intellectuals in our province. We feel deeply the lack of intellectuals, either for implementing the policy of opening to the outside world, or for restructuring our economic system, for laying the economic foundation during the first decade, or for invigorating our economic work in the next 10 years. The lack of modern scientific knowledge and the existence of certain links hampering technological advances in the present economic system chain, are two problems which make it difficult for us to achieve the four modernizations, and to meet the new world technological revolution. Therefore, attaching importance to intellectuals and their roles and training, and bringing up a large number of competent personnel is a matter of great urgency, which should not be taken lightly.

SECOND QUESTION: TO GIVE FULL PLAY TO THE ROLE OF INTELLECTUALS, IT IS IMPERATIVE TO CONTINUE TO DO AWAY WITH THE "LEFT" INFLUENCE.

It should be noted that there is a deep-rooted "left" influence regarding the question of dealing with intellectuals. In recent years, this kind of influence has been overcome in some aspects, but still exists in many fields, though it manifests itself in a different way from in the past. Currently, "left" ideas are manifested mainly as follows:

FIRST, INSUFFICIENT TRUST IN THE INTELLECTUALS POLITICALLY

Currently, some comrades still do not rely on intellectuals. For example, they say: Intellectuals "can only be used to do technical work, but cannot be relied upon politically." "It is all right to place intellectuals in technical and professional spots. If they are included in the leading body and act as leaders, we would feel ill at ease." These comrades have progressed from despising intellectuals to knowing how to use their strong points. This is, of course, a step forward, but is far from adequate. One of the reasons for this thinking is that these comrades do not really understand that intellectuals are part of the working class, and a force to be relied upon in building socialism. Another reason is that these comrades lack a comprehensive investigation and understanding of Chinese intellectuals. The overwhelming majority of Chinese intellectuals are noted for their strong patriotism. As can be seen from modern Chinese history, and the history of the Chinese Communist Party, it was intellectuals who began to propagate Marxism-Leninism in China, and since the Chinese Communist Party was founded, most intellectuals have consistently supported its leadership. After liberation, intellectuals worked industriously and earnestly for socialist construction. Many suffered deep misery in the 10 years of internal turmoil, but, after the smashing of the "gang of four," they did not blame anyone, and without the slightest complaint, they immediately, and happily, started to work again. They said: "We were forced to kneel down, were beaten up, and criticized. Bad political labels were placed on us. But all this has passed. The most urgent current task is to race against time and work for the four modernizations." What lofty thinking! Practice has proved that, in carrying out the program of the four modernizations, intellectuals are indispensable everywhere, from all spheres of the superstructure to all departments of the economic base. We should not only give full play to the strong points of intellectuals, but should also fully trust them and rely on them politically.

The fact that it is difficult for intellectuals to be admitted to the party reflects that some comrades do not have adequate trust in them. They do not understand the significant meaning of developing party membership among intellectuals. Some people even doubt "whether it is right to develop party membership among intellectuals as far as the organizational line is concerned?" Since intellectuals are part of the working class, and the CPC is a political party of the working class, what is wrong with developing party membership among intellectuals as far as the organizational line is concerned? Because of historical reasons, our contingent of party members possesses a relatively low degree of knowledge, and the proportion of intellectuals in the party is relatively small. Such a condition is incompatible with the general task confronting us in the new period. To absorb intellectuals into the party is an important measure for changing this incompatible condition. We should try to understand, from a strategic level, the role of the activities of absorbing intellectuals into the party in speeding up the four modernizations, in strengthening party building in the new period, and in building the third echelon, and should regard the development of party membership among intellectuals as a major point in the party's organizational constructing.

Of course, in absorbing intellectuals into the party, it is also necessary to adhere to the standards of a party member, because not every intellectual can be admitted into the party. Although this is common knowledge, the standards are often inconsistently adhered to in practical work; therefore, it is necessary to grasp the yardstick well.

SECOND, THE EXISTENCE OF A TENDENCY TO DEMAND PERFECTION FROM, AND REPROACH, INTELLECTUALS

Some comrades are taking a metaphysical, instead of a dialectical, viewpoint in treating intellectuals. They are fastidious about intellectuals' shortcomings, exaggerating them, and criticizing intellectuals as being mistaken in everything. They even regard certain characteristics and professional habits of intellectuals as shortcomings, and reproach them for having such shortcomings. These metaphysical ideological viewpoints must be eradicated.

"Arrogance" is the most often used, and the most representative, word in reproaching intellectuals. Here, I would like to emphatically talk about what attitude to take with "arrogance," and what viewpoints we should establish in evaluating and employing people.

First of all, we do not deny that the shortcomings, characterized by arrogance, exist among a small number of intellectuals, and that it is necessary to educate and assist them. However, we cannot say that arrogance is a shortcoming existing generally among intellectuals. Arrogance and intellectuals are not definitely connected. The shortcoming characterized by arrogance also exists among workers and peasants. In his article "Our Study and the Current Situation," Chairman Mao pointed out: "Worker and peasant comrades, because of pride in this class origin, may look down upon intellectuals, while intellectuals, because they have a certain amount of knowledge, may look down upon workers and peasants ... even one's age may become grounds for conceit. The young, because they are bright and capable, may look down upon the old; and the old, because they are rich in experience, may look down upon the young." Therefore, it is apparent that arrogance does not belong exclusively to intellectuals. Secondly, it is necessary to draw a clear demarcation line between holding independent opinions and being arrogant. In their protracted work practice, intellectuals form a strict scientific attitude, and create special methods of work. They possess a spirit of independent thought, are bold in searching and creating, and are reluctant to give up their own opinions lightly. This is a scientific attitude of adhering to the truth and seeking truth from facts, and is basically a strong point. However, some comrades regard it as a shortcoming, and criticize it as "arrogance" and "conceit." Such an approach will only hinder intellectuals from bringing their creativity into play. The construction of modernization needs talented personnel with opinions, courage and a questing spirit. Regarding these people who can only keep their stalls and work at the same place for years, or for over a decade, "without any change of appearance," what benefits can they bring to the undertakings of the party and the state, even though they are "prudent" and "obedient"? Furthermore, even if some opinions put forward by intellectuals are to some extent prejudiced, and some propositions are not exactly appropriate, we should still provide them with positive guidance and warm help, instead of obstinately making excessive demands on them, and simply criticizing them as "arrogant." Such an approach will only harm their feelings, impair unity, and deal a blow at their enthusiasm.

THIRD, THE EGALITARIAN IDEA, WHICH CURRENTLY STILL INTERFERES WITH THE IMPLEMENTATION OF THE POLICY OF INTELLECTUALS.

The idea of egalitarianism exists in two areas: Firstly, it exists between intellectuals and nonintellectuals. For instance, some people have said that "intellectuals are receiving too much insofar as their political and daily life is concerned." In some units, if intellectuals are given a subsidy for buying books and newspapers, others will also ask for such a subsidy. These comrades are not aware that, once intellectuals are provided with proper working and living conditions, they will be able to make greater contributions to the people, and this will benefit workers and peasants as well. Lenin pointed out: "As for experts... we should do everything possible to provide them with better living conditions. This will be the best policy and the most economical method. Failing to do this, we shall save several hundred millions, but may lose something that we cannot make up, even with several billions." Second, egalitarianism exists, even among intellectuals. An example is the practice of assigning job titles on the basis of education and length of service only, thus imposing "uniformity on all." As long as a person has worked for so many years, he will become a "lecturer" or an "engineer," even though he is actually not qualified. On the other hand, no one dares to give an exceptional promotion to an intellectual, who has made outstanding contributions, for fear of causing imbalance. Equal distribution is practiced in giving material remuneration to intellectuals. Giving appropriate preferential treatment to some intellectuals in recognition of their contributions would be regarded as an act of divorce from the masses. All these are not in the interest of stimulating the enthusiasm of intellectuals, and should, therefore, be corrected. To overcome egalitarianism is a matter affecting traditional thinking, the personal interests of some individuals, and the relation between the higher and lower levels, and between different localities, departments, and units. To do this, our party and government leaders at various levels should be courageous. They should proceed from the interests of the party and people, act impartially, and should not be afraid of criticism.

Apart from the above, it should be pointed out that a few leading cadres are jealous of intellectuals. In considering questions, they give attention to their personal gains or losses instead of proceeding from the interests of the party and state. Whenever the question of recruiting intellectuals into the party is discussed, they worry about the loss of "my political superiority." Whenever the question of promoting and using intellectuals is mentioned, they think of "where I would be placed." Because of the power they are holding, these comrades have become an obstacle to the implementation of the policy on intellectuals. We hope that these comrades will raise their awareness, and change their stand. As for those who persist in their mistaken stand, we should take appropriate measures, including demoting them from the leading posts, or transferring them to other work. We communists should have a lofty quality and a broad view. For the sake of the prosperity of our country and people, we should like intellectuals more than ourselves, and be willing to act as a "ladder" to help them ascend.

THIRD QUESTION: WE SHOULD UNDERSTAND THE CHARACTERISTICS OF INTELLECTUALS AND GRASP THE RULES FOR THE WORK ON INTELLECTUALS.

The key to success in the work on intellectuals is to understand their characteristics and grasp the work rules. What are the rules for this work? There may be many, if we go into details. Now we shall talk about a few which are of a general nature at this time.

FIRST, LEADING CADRES SHOULD MAKE FRIENDS WITH INTELLECTUALS AND FULLY RESPECT AND TRUST THEM.

When the question of implementing the policy on intellectuals is mentioned, some comrades, first of all, think of raising their material remuneration. Of course, this should be raised if at all possible, but it is not the only thing to do, nor is it of prime importance. Chinese intellectuals have their own characteristics.

They do not demand very high material remuneration. To them, respect and trust are more important than anything else. To be trusted politically is more important than material comfort, and ease of mind is better than receiving special care in daily life. In short, spiritual life is more important to them than material life. Another salient trait of Chinese intellectuals is that they have strong ambition -- their greatest aspiration is to accomplish the program of the four modernizations. The verse says: "We have only a few chances to display ourselves in a short lifetime, and we often regret that we have let the time pass, without doing anything worthy." To intellectuals, nothing is more enjoyable than contributing what they have learned to the motherland, and the greatest pain is lack of opportunity to display their wisdom and talent. Leading comrades should deeply understand this kind of thinking and feeling, and the concept of happiness and sorrow held by intellectuals, so as to do the work on intellectuals on the basis of their characteristics. It is imperative to respect their personality and self-esteem, make friends with them, treat them with politeness and sincerity, understand them in various ways, and thoroughly knock down the "barrier" against them in people's hearts. It is imperative to "forge heart-to-heart links" with them, that is, to share the same thoughts and feelings with them. "A scholar is willing to die for his bosom friend." This is a motto well appreciated by intellectuals. Only when our leading comrades at various levels have made friends with intellectuals, won their confidence, and become their bosom friends, is it possible to stimulate the intellectuals' enthusiasm to work for the four modernizations.

SECOND, WE SHOULD USE THE INTELLECTUALS IN A RATIONAL WAY, SO THEY CAN DEVELOP THEIR TALENTS TO THE FULLEST.

How to bring the role of the intellectuals into play is a question worthy of our discussion. Qualified personnel should be used where they are needed. We should assign intellectuals to posts where they can give full play to their wisdom and talents. In order to do so, the comrades of our organization and personnel departments must know the intellectuals' characteristics and specialities, and arrange their work assignments according to those specialities.

Generally speaking, intellectuals in China are currently of the following two types: One consists of persons of all-round ability, who have a fairly high level of specialized knowledge, a wide range of general knowledge, theoretical understanding and certain organizing and management ability. The promotion of such intellectuals to leading posts of various levels is an important breakthrough in organizational work, and is of great significance to the building of our party and our government. We should know that intellectuals of this type are many. To select and promote them to join leading bodies of various levels has just begun, and should continue henceforth.

The other type consists of intellectuals with highly specialized knowledge, dealing with a very narrow field of study. Some are rare specialists and experts in certain technologies or professions. They probably are not used to, or are not willing to do, administrative and leading work. We should let such intellectuals devote themselves to technical and professional work, instead of promoting them to administrative leading posts against their will. This means that we should consider the individuals' inclinations and ability, and should not construe the effort to bring the role of intellectuals into play as promoting all of them to leading posts.

Currently, some intellectuals still cannot fully suit the leading jobs, both in thinking and in work, after they join the leading body. Their unsuitability is caused by improper job assignments, which render their specialities useless. For instance, if we assign a highly technical person to manage miscellaneous logistic work, or if we put a person of a special profession in charge of an administrative department, we are wasting his specialities, using his weak points, turning an expert into a layman, and forming a new nonprofessional leadership over professionals. We must correct such improper assignments.

Another reason for the unsuitability is that old rules, regulations and working methods have not been revised with the readjustment of the leading bodies. For example, the phenomena of not distinguishing party leadership from administration, not distinguishing administration from enterprise management, and uncertainty about duties incumbent on each person still exist. In some organizations, the party committee secretaries monopolize everything, have no respect for the opinions of the intellectuals in charge of professional, technical, or administrative work, and prevent them from putting their ideas into practice, or from doing things in which they are sure of success. The direct consequence of uncertainty about duties is the habit of shifting responsibility to others, making intellectuals in the leading body at a loss as to what to do. Generally speaking, intellectuals treasure time and stress efficiency. However, they cannot give play to their assets if they are burdened with too much paper-work and too many meetings after they join the leading body. Therefore, we should reform old rules and regulations and outmoded work methods, in view of the presence of intellectuals in the leading body, so that the intellectuals can fully play their role.

Third, the Fundamental Way To Solve the Problem of Qualified Personnel Shortage Is To Tap Qualified Personnel Resources.

There are several ways to solve the problem of qualified personnel shortage in our province. The problems can be solved by developing education and accelerating the training of qualified personnel. It also can be solved by hiring qualified personnel from other places. However, we should put the stress in tapping existing personnel resources, because the development of education and training of qualified personnel needs a great deal of money and a fairly long time. To hire qualified personnel from other places is a good idea but it is unlikely that we can hire many, because qualified personnel are in great demand everywhere. Therefore, we still have to emphasize tapping this province's existing personnel resources, in order to solve the problem of the qualified personnel shortage.

What should be done to tap our human resources? First, there should be a reasonable flow of qualified personnel. There is a phenomenon in which there are shortages of competent people, while quite a few departments and units have more than enough of these people. This contradiction is the result of the ownership idea of these departments and units, which has halted the steady and reasonable flow of competent people. Competent and qualified personnel are not the private property of any department or unit. They are the assets of our party and country. Our organization and personnel departments should emancipate their minds, break the old conventions which have hindered the flow of qualified people, send these people to the places where they are needed, and create conditions in which no organizations or units are overstaffed, and the right of persons are chosen for the right jobs, so that the specialties of qualified people can be brought into full play. SECONDLY, IT IS IMPERATIVE TO RAISE THE EDUCATIONAL LEVEL OF OUR COMPETENT people and help intellectuals improve their vocational work, while expanding their contingent. Third and last, we must eliminate the idea of merely attaching importance to one's record of formal schooling and one's job title. We must also stress the importance of one's real ability and learning and one's actual contributions. Attaching importance to one's record of formal schooling and one's job title, and stressing the importance of one's real ability and learning and one's actual contributions are not antagonistic to one other. The great majority of our comrades, who have records of formal schooling and job titles, are persons who have real ability and learning, and who can make actual contributions.

But not every comrade who has real ability and learning and has made, or can make, actual contributions has a record of his or her formal schooling, or a job title. Many comrades have acquired their learning and real ability through self-study and are quite competent. Some have even made actual contributions. They should not be overlooked. They should not be discriminated against in employment and in job titles.

FOURTH, THE FOCUS OF WORK AMONG INTELLECTUALS LIES IN WORK AMONG THE MIDDLE-AGED AND YOUNG INTELLECTUALS.

There are some problems in our work among old intellectuals. But the biggest problem is our work among middle-age intellectuals. Middle-aged intellectuals are the rear forces on all fronts, and their role is being brought into play. While they shoulder the heaviest burden on various fronts, their working and living conditions are relatively, or even very, poor. Failure to improve their working and living conditions, and to relieve them from their family burdens and worry for their family, will do great harm to our cause. Comrade Chen Yun pointed out that, improving the working conditions of middle-aged intellectuals "should be considered as one of our capital construction items, and the most fundamental of our capital construction projects." He added that "our spending on the middle-aged intellectuals is a profitable investment; the money spent for this purpose is like using fine steel on the edge of a cutting knife." There are numerous middle-aged intellectuals, and their problems are manifold and difficult to settle. It needs our determined and vigorous efforts to solve this issue.

How to carry out work among young intellectuals well should also be included in our work schedule with stress laid on their education and training. Young intellectuals are nimble in thinking, eager to learn, and are not so conservative. They are susceptible to new ideas and knowledge. It is our strategic task to arm their minds with modern knowledge, as soon as possible and train them into qualified personnel to meet the need of the modernization drive. They have a bright future and represent the future.

During the last 10 years of this century, when our national economy begins to advance by leaps and bounds, large numbers of intellectuals with modern knowledge, in their 30's or 40's, will be needed. Young people who are presently 20 to 30 years old will be 30 to 40 by that time, the right time for them to play a big role. We must have this farsighted, strategic thinking. To have successors in the cause of the four modernizations, we must step up young intellectuals' training.

In conclusion, I would like to raise two points of demand on intellectuals. First, they must attach importance to acquiring new knowledge, and readjust their educational structure so that they can keep abreast with the latest situation and meet the requirements of economic reform and the open-door policy. Knowledge grows out of practice. With the rapid development of modern science and technology, there is a trend that people acquire new knowledge faster than ever. Even college graduates of the 1950's or 1960's will fall into disuse and be out of the picture if they do not attach importance to acquiring new knowledge. Intellectuals should fully understand this importance. Second, it is necessary to overcome the tendency of divorcing theory from practice, closely integrate theory with practice, use one's knowledge in production and other work, and transfer one's knowledge into productive forces.

GUANGDONG EASES MANUFACTURED GOODS RESTRICTIONS

HK291528 Guangzhou NANFANG RIBAO in Chinese 23 Oct 84 p 1

[Report: "The Provincial People's Government Recently Enacted New Regulations To Relax Restrictions on Procurement and Marketing of Manufactured Goods for Daily Use"]

[Text] In order to further widen the commodity circulation channels and develop production, the provincial People's Government has recently relaxed once more restrictions on the procurement and marketing of manufactured goods for daily use and has also enacted new regulations on this.

The new regulations continue to exercise planned management over manufactured goods for daily use which have a relatively great influence on the national economy and the people's livelihood. Sugar, table salt, kerosene for civilian use, coal for civilian use, and cigarettes are to be procured and allocated according to plans formulated by planning departments for departments at lower levels. Nails, wires, famous-brand bicycles, and famous-brand sewing-machines are to be procured and allocated according to plans formulated by departments and bureaus (companies) in charge of the work, and these plans have to be reported to the provincial Planning Committee for the record. Cotton cloth, polyester-cotton cloth, medium-filament fiber cloth, woollen goods, matches, detergent, soap, rubber shoes, famous-brand television sets, ordinary electric bulbs, iron cooking-pans, rice cookers, and famous-brand wines are to be procured and allocated according to plans formulated by provincial companies for departments at lower level. Manufactured goods other than those listed above are regarded as commodities which are not planned management. Commercial departments can buy them from industrial departments or industrial departments can sell them directly.

The new regulations also stipulated that commodities under planned management can be procured directly from places of production or allocated to places for marketing according to the circulation system of having multichannels, less links, and less restrictions. Commodities not under planned management can be freely procured or marketed at various trade centers or wholesale markets.

STATE COUNCIL GROUP LAUDS GUANGDONG PRICE REFORM

HK290944 Guangzhou Guangdong Provincial Service in Mandarin 0400 GMT 28 Oct 84

[Text] Recently, an investigation group led by responsible comrades from the State Council came to our province to investigate the state of reform in the pricing and financial management systems in the province. Through the investigation, the group has reached the conclusion that Guangdong Province has opened a new road in reforming the picture structure.

The price reform in our province has been carried out in a planned and orderly way since the 3d Plenary Session of the 11th CPC Central Committee. This reform has effectively promoted economic prosperity throughout the province and improved the people's livelihood. With regard to the field of production, the total industrial and agricultural output value has increased by an average of 8.9 percent each year, which is higher than the national average. In the field of circulation, barriers between cities and the countryside and between different localities have been broken down, and the supply of all kinds of goods has been markedly improved. Rural and urban markets have never been as brisk and prosperous as they are at present. Financial revenue and the taxes-profits turned over by businesses and enterprises to the state have increased.

The per-capita annual income of peasants in the province last year increased by 105 percent over that in 1978. The per capita annual wage of workers, including their bonuses, increased by 62.3 percent. The increase in people's real income substantially outpaced the growth in the general index of retail prices in this period. Since last year the growth in the general index of retail prices in our province has been slower than growth in the national index. This good situation in our province is a result of the relaxed policies for enlivening the economy and of the application of the law of value to regulate market supply and demand through readjusting prices.

In recent years our province has readjusted prices in a wide scope and has narrowed the scope of planned pricing and widened the scope of free pricing. Apart from some daily necessities of the people, the pricing of many goods has been subject to market forces. At the same time, the management power over pricing has been appropriately decentralized. Prices of many goods are allowed to float. Prices of small commodities are usually set through negotiations between buyers and sellers.

HENAN COMMENTS ON STUDY OF CPC DECISION

HK291458 Zhengzhou Henan Provincial Service in Mandarin 1030 GMT 26 Oct 84

[Station commentary: "The Key Lies in Gaining a Good Understanding of the Spirit of the Document"]

[Text] The decision on reform of the economic system adopted by the 3d Plenary Session of the 12th CPC central committee is an important historical document. It integrates the basic principles of Marxism with China's realities and presents a blueprint for an overall reform. It points out that carrying out an overall reform of the economic system is a pressing task for China's economic development and expounds the basic tasks, purpose, and a series of important policies and principles for reform of the economic system. Under the guidance of the decision, a new situation will surely be created in the socialist modernization in our country.

The task before us at present is to conscientiously study the decision of the CPC Central Committee and gain a good and accurate understanding of the spirit of the document and the theory and important policy decisions on reform. The reform of the economic system will be carried out in depth and in a wide range of spheres. It is a very complicated undertaking by the masses in exploration and in blazing new trails. Generally speaking, the reform of the economic system, with reform in the cities as the center, is now in the stage of accumulating experience. Since the broad masses of cadres and party members are still not familiar with it, there will possibly be all kinds of problems in their understanding and practice. Thus, it is necessary to organize them to conscientiously study the document and to concentrate their efforts on study and discussion of the document so that they can gain a deep, all-round, and accurate understanding of the spirit of the document. The leading cadres at all levels are required to set an example in this regard. They must go deep into grassroots units and carry out investigation and study and take effective measures to help them solve the existing problems so that the masses can understand the central document better through study. We can be sure that through the conscientious study and implementation of the document, reform of the economic system in our country will surely be accelerated and develop smoothly, the productive forces will be further emancipated, and the development of socialist modernization will surely develop by leaps and bounds.

HUNAN CULTURAL REVOLUTION REBELS STILL IN POWER

HK290926 Changsha Hunan Provincial Service in Mandarin 2300 GMT 27 Oct 84

[Text] In Xinhua County, some people who rose to power through rebellion during the Cultural Revolution still hold leading posts at various levels in the county. These people have used factionalism to replace the party's character, thus leading to the occurrence of various kinds of abnormal things.

In the winter of 1980, during recruitment of workers to work in the coal mines, the county violated the relevant policies and recruited six workers without proper procedures. The Loudi Prefectural Labor Bureau repeated orders to Xinhua County, requiring that these six workers be dismissed. But the county authorities used delaying tactics in handling the case. Last year the provincial government issued formal orders to the county, demanding that these six persons be dismissed. Still the county did not comply with the order. The reason was that the parents of these persons were members of a certain faction.

(Zhu Zian), former deputy head of the county court, adopted unjust means to build over 360 square meters of residential housing for private use. This case ended in deadlock after 3 years of investigation. This is also attributed to the fact that (Zhu Zian) had been an important member of a certain faction.

(Zhou Xianyi), currently deputy head of the county government, had been a leader of a certain faction during the Cultural Revolution. He should have been transferred elsewhere long ago. (Zhou Xianyi) adopted various measures to return to Xinhua and collaborated with Wang Anyi in Shaoyang in persisting in factional activities.

Some persons in Xinhua County who are currently in power and who came to power through rebellion in the Cultural Revolution have acted in their own way and have overtly agreed to but covertly opposed the line, principles, and policies implemented since the 3d Plenary Session of the 11th CPC Central Committee. As a result, some old, unjust, and wrong cases have not been reversed; some new, unjust, and wrong cases have been added; and unhealthy trends and evil practices have not been corrected. All this has caused the party serious losses.

At present, the problems of Xinhua County have aroused the attention of the provincial CPC Committee and the Loudi Prefectural CPC Committee. They have organized a joint investigation team to be stationed in Xinhua to conduct investigations.

HUNAN'S MAO ZHIYONG ON CPC REFORM DECISION

HK291020 Changsha Hunan Provincial Service in Mandarin 1100 GMT 27 Oct 84

[Text] This morning some 240 delegates to the provincial exchange-experience meeting on bringing into play the role of retired cadres listened to a report given by Comrade Mao Zhiyong, first secretary of the provincial CPC Committee, who emphatically pointed out that their present tasks are to conscientiously study the CPC Central Committee's decision on economic system reform and to strive for an all-round victory in reforms with full confidence and courage.

Comrade Mao Zhiyong first pointed out: The convening of this meeting will have important bearings on bringing into fuller play the role of the province's retired cadres and on doing a better job in work concerning retired cadres.

Comrade Mao Zhiyong continued: The 3d Plenary Session of the 12th CPC Central Committee was a meeting of great significance in party history as well as a meeting which will have far-reaching influence on the future of the country. It marks the shift of reforms from the rural areas to cities and the emergence of a new situation in the entire economic sphere. The decision on economic system reform was approved by the plenary session after repeated discussions and corrections by the plenary session and after the CPC Central Committee had given careful consideration and made great efforts in carrying out sufficient investigation and soliciting opinions from among the people. This decision is a programmatic document guiding China's economic system reform. Studying the decision is in fact restudying scientific socialism and Marxist political economy so as to understand socialism in a more scientific manner.

Comrade Mao Zhiyong said: The communique of the 3d Plenary Session of the 12th CPC Central Committee calls on us to conscientiously study the CPC Central Committee's decision on economic system reform. This is our main task in implementing the spirit of the third plenary session. We should make best use of our time to study the decision and digest its spirit. In the course of study, party organizations at all levels should be good at giving guidance and should help the people thoroughly and accurately understand the spirit of the decision so as to unify the people's thinking on the basis of the decision. In addition, it is necessary to strengthen investigation among the masses and enterprises so as to study the new situation, to solve new problems, and to sum up new experiences. If possible, retired cadres should also make certain investigations so that they can air their views on how to study the decision, how to carry out reforms, and how to help leaders at various levels.

Comrade Mao Zhiyong said: Comrade Deng Xiaoping pointed out that the 10 stipulations in the decision are all important, but the most important one is stipulation No 9, that is, respecting knowledge and talented people. The crux of success lies in whether we can discover and promote talented people. In carrying out economic system reform and developing the national economy, we are required to boldly use new people, thousands upon thousands of fine, young and middle-aged cadres, and in particular, to select young cadres between 30 and 40 years old. We firmly believe that under the correct leadership of the CPC Central Committee, with the close cooperation between new and old cadres and through the common efforts of all comrades in the party, we will be able to successfully fulfill the tasks in economic system reform put forward by the 3d Plenary Session of the 12th CPC Central Committee.

GUIZHOU CIRCULAR CALLS FOR STUDY OF CPC DECISION

HK291545 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 26 Oct 84

[Excerpts] On 25 October, the Guizhou Provincial CPC Committee issued a circular to the whole province demanding that various localities conscientiously organize the cadres and masses to study the decision of the CPC Central Committee on reforming the economic system of the country.

The circular pointed out: The decision of the CPC Central Committee on reforming the economic system, which was unanimously passed by the 3d Plenary Session of the 12th CPC Central Committee, is a programmatic document guiding the reform of the economic system of our country, and is also a great blueprint in guiding us to build socialism with Chinese characteristics. The decision not only profoundly expounds the necessity, importance, and urgency of the reform and points out the nature, orientation, and fundamental tasks of reform, but also analyzes in an all-round way the existing conditions for conducting the reform, and stipulates various principles and policies of the reform.

The circular demanded that various localities and units should organize all party members and cadres, the leading cadres in particular, in a well-guided manner, to seriously study the decision, to have an all-round and profound understanding of the spirit and content of the document, and to unify the understanding of everyone in line with the decision of the central authorities.

The circular pointed out: In studying, three main points should be grasped. The first is to have correct understanding of the economic and political situation of our country, and make clear the necessity and importance of the reform as well as the existing conditions for conducting the reform. The second is to make clear from a theoretical point of view the certainty, orientation, tasks, and various fundamental principles and policies of the reform. The third is to clarify confused concepts and correct the wrong understanding so as to [words indistinct] and strengthen the confidence in carrying out the reform.

The circular pointed out: In studying, the principle of combining theory with practice must be adhered to, the reality in reform linked, and experience and lessons summed up. It is necessary to cast off the fetters of leftist influences, to break through the old and traditional concepts, and cast away all conventions and rules that have been deemed orthodox for a long time.

The circular finally demanded that CPC committees at all levels should immediately make arrangements for the study of the decision and strengthen leadership over study. It is necessary to place emphasis on grasping the study conducted by cadres at and above the county level. Propaganda departments should conscientiously organize the study well, pay attention to and solve ideological problems that crop up during the process of reform, and conduct propaganda work with specific objectives in mind so as to promote the smooth progress of reform.

GUIZHOU MEETS ON HISTORY OF 'UNDERGROUND PARTY'

HK291022 Guiyang Guizhou Provincial Service in Mandarin 2300 GMT 28 Oct 84

[Text] From 17 to 23 October, the provincial CPC Committee's Organization Department held a forum in Guiyang on solving problems of a political nature in the history of the underground party in the province. The CPC organization departments of various prefectures, autonomous prefectures, cities and some counties, as well as responsible persons of party committees from the provincial [words indistinct], universities and enterprises attended the forum. (Qin Tiansheng), vice chairman of the provincial Advisory Committee, also attended the forum and delivered a speech.

The forum held: The underground party in the province, under a difficult and complicated situation, had implemented the party's principles and policies. It had made contributions to the revolutionary cause of the party and the people. However, because of leftist influences, it developed a number of miscarriages of justice when dealing with the guerrillas of the province's underground party in past political movements, particularly the Cultural Revolution. Thus, a large number of problems have been left over from history.

The forum urged party organizations at various levels to seek truth from facts by acting in accordance with the central principles and policies. We must reassess the past performance of members of the underground party and the guerrillas, as well as thoroughly rehabilitate victims of miscarriages of justice. Furthermore, we must try to solve well at an earlier date the problems left over from history concerning the underground party.

GUIZHOU HEROES REPORT ON BATTLE WITH VIETNAMESE

HK300647 Guiyang Guizhou Provincial Service in Mandarin 2300 GM: 26 Oct 84

[Text] On 24 October, the reporting group of combat heroes in the self-defense counter-attack against the Vietnamese invaders in the Lao Shan and Zheyin Shan areas gave reports for the first time at a certain hospital affiliated with the PLA units stationed in our province, while a photographic exhibition of the battle was held.

This reporting group consists of 12 members, of whom some are the representatives of heroic collectives and individuals that have been honored by the Central Military Commission and the Kunming Military Region with the title of [words indistinct], while the others are the representatives of heroic collectives and individuals that have made great contributions in the battle. They reported on the heroic deeds of the cadres and fighters of our Army who had courageously fought and defeated the enemy in the self-defense counterattack against the Vietnamese invaders in the Lao Shan and Zheyin Shan areas, and their reports were warmly applauded by the vast number of medical workers of the hospital.

A total of 300 photographs was on display in the photographic exhibition of the Lao Shan and Zheyin Shan battle. [sentence indistinct]

TIANJIN MEETING ON OPENING TO OUTSIDE WORLD ENDS

SK270428 Tianjin City Service in Mandarin 0030 GMT 27 Oct 84

[Excerpts] The Tianjin municipal theoretical discussion meeting on opening to the outside world, sponsored by the municipal CPC Committee and the municipal government, ended at the Tianjin Guesthouse on the morning of 26 October. Attending the closing ceremony were leading comrades, including Chen Weida, first secretary of the municipal CPC Committee; Zhang Zaiwang, secretary of the municipal CPC Committee; Yang Jingheng, Standing Committee member of the municipal CPC Committee; and Yao Jun, municipal vice mayor. Comrade Chen Weida delivered a speech at the meeting. Comrade Zhang Zaiwang gave a closing address.

The 5-day theoretical discussion in meeting was a complete success. Specialists and scholars from Tianjin and other places and comrades from the departments in charge of practical work who participated in the meeting studied the CPC Central Committee's decision on economic system reform and focused discussions on the issues on the theory of opening to the outside world, Tianjin's economic development strategy, and using foreign funds and importing technology to accelerate the technological transformation of old enterprises. They presented many constructive suggestions. The meeting received 74 theses, reports, monographs and data. Through discussions, the participants further understood the orientation and significance of opening to the outside world. In short, they are:

1. In line with the actual conditions, Tianjin must focus work of opening to the outside world on accelerating the technological transformation of old enterprises.
2. We must put into full play the advantages of Tianjin, and operate an economic and technological development zone as soon as possible.
3. We must link the work of opening to the outside world with reform, conscientiously expand the decisionmaking power of China-foreign joint ventures, and reform the economic management system where opening to the outside world is concerned.
4. We must closely link the work of opening to the outside world with the work of co-operating with internal areas, and put into full play Tianjin's role as a coastal city with many functions.
5. In order to meet the needs of opening to the outside world, we must accelerate the construction of basic urban facilities and vigorously develop service industries.
6. We must put into full play the functions of banks, finance, and currency in opening to the outside world.

In order to fulfill these tasks, we must attach importance to knowledge and talented persons.

In his speech, Comrade Chen Weida first extended greetings to specialists and scholars from various localities participating in the meeting on behalf of the municipal CPC Committee and government.

Comrade Chen Weida emphatically pointed out: Tianjin is a municipality of the whole nation as well as an open municipality in service of other provinces and municipalities across the nation. We warmly welcome those who are willing to come to Tianjin and use Tianjin as a window to import technology and talented persons. At the same time, we must be willing to support the interior economically and technologically in conducting the four modernizations.

HEILONGJIANG'S LI LIAN ON COMPUTER TRAINING

SK300405 Harbin HEILONGJIANG RIBAO in Chinese 13 Oct 84 p 3

[Text] At the first anniversary meeting held at the end of September to mark the founding of the provincial Advisory Commission of Science, Technology, and Economy, Li Lian, secretary of the provincial CPC Committee, delivered a speech in which he attached great importance to the joint report presented by Liu Dezhen, Yin Zhenliang, and Chu Jiakang, personnel from the Shipbuilding Institute, on "establishing micro-computer institutes at the people's expense in order to train available experts in charge of computer technology." He also pointed out that the proposal to establish private microcomputer institutes is very good. He urged the provincial Scientific and Technological Commission and the provincial Higher Education Bureau to make concerted efforts to organize a unit concerned in order to determine whether the proposal can be carried out. If it is impossible to carry it out, we should devise a way to make it possible. Efforts should be made to overcome difficulties and to adopt every possible means to train, as soon as possible, specialists in charge of microcomputer technology, who are urgently needed by the province. Comrade Li Lian pointed out: The number of specialists in charge of microcomputer technology, who have been trained under state funds, and the regular assignment of college graduates in this regard cannot meet the current demand. At present, many units throughout the province have bought microcomputers. However, the use of these microcomputers is not satisfactory. The key to this problem lies in the shortage of qualified technicians. This is quite a pressing issue. We would still be late even if we construct computer institutes now and open them in 1985 and see the first graduates from the institutes in 1985.

HEILONGJIANG PEOPLE'S CONGRESS SESSION OPENS

SK300515 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 29 Oct 84

[Excerpts] The 10th Standing Committee session of the 6th provincial People's Congress opened in Beifang Building today. Chen Yuanzhi, vice chairman of the Standing Committee of the provincial People's Congress, presided over today's session. Attending the session were Lu Guang, Wei Zhimin, Zhang Ruilin, Liu Huixian, Wang Pili, and Wang Zhaozhi, vice chairmen of the Standing Committee of the provincial People's Congress; and Secretary General Zhao Zhenhua.

With the guidelines of the 3d Plenary Session of the 12th CPC Central Committee as a guiding ideology, the session discussed and examine the following 8 items.

1. Listen to and examine the report of the provincial government on the implementation of the 1984 national economic plan.
2. Listen to and examine the report of the provincial financial department on the implementation of the financial budget plan.
3. Listen to and examine the report of the provincial government on the implementation of the PRC's economic contract law, and work out relevant resolutions.
4. Examine and discuss the Heilongjiang provincial draft plan for river management.
5. Examine and discuss the draft regulation on extending the time limit for handling cases in outlying districts.
6. Listen to and examine the report of the provincial government on dealing blows to serious criminal activities.

7. Listen to and examine the report on handling the resolutions of the second session of the sixth provincial People's Congress.

8. Work out a decision on cadre appointments and removals.

At today's session, (Liu Zhongli), chairman of the provincial Planning Committee, made a report on the implementation of the province's national economic and social development plan in the January-September period. (Qian Fen), deputy director of the provincial Financial Department, made a report on the implementation of the province's 1984 financial budget plan.

Attending today's session as observers were Hou Jie, vice governor; Zhang Li, president of the provincial Higher People's Court; Yu Jian, chief procurator of the provincial People's Procuratorate; responsible comrades of relevant departments under the Standing Committee of the provincial People's Congress and the provincial government; and responsible comrades of liaison offices of prefectural people's congresses, cities directly under the jurisdiction of the provincial government, and some county people's congress standing committees.

NINGXIA CALLS FOR HIGH RECTIFICATION STANDARDS

HK300301 Yinchuan NINGXIA RIBAO in Chinese 17 Oct 84 p 1

[Report: "A High Standard Must Be Set for Accomplishing the Work of Party Rectification"]

[Text] The Ningxia Regional CPC Committee held a meeting of party member cadres in charge of offices at the regional level on the afternoon of 15 October. On behalf of the regional CPC Committee, Deputy Secretary Hao Tingzao delivered a report on party rectification, calling for strengthening party leadership and carrying out party rectification in depth so as to accomplish the work at a high level.

Referring to the developments in the previous stage of party rectification in the region, he pointed out: Since Circular No 1 of the Central Commission for Guiding Party Rectification was conveyed and implemented in our region in early July, new progress has been made in party rectification. The first group of units carrying out party rectification entered the phase of rectification and correction one after another in mid-July. They worked out plans and measures to rectify and correct their defects and paid special attention to problems concerning reform and opening to the outside world. They conducted education among party members in thoroughly negating the "Cultural Revolution," eradicating factionalism, and protecting purity in party spirit. At the same time, they also investigated cases of seriously bureaucratic work methods which have caused heavy losses economically and politically, and cases of seeking personal gains by abusing power and position. They vigorously promoted the implementation of policies in all fields and made an investigation of leading groups of offices at the regional level. Most of the second group of units carrying out party rectification have entered the phase of comparison and examination after the phase of studying documents. In the course of party rectification, the work of checking "people of three categories" has been gradually developing in depth. Working of party rectification has pushed economic development forward. Generally speaking, the development of party rectification in the preceding stage is healthy and the situation is good, but there are some problems. The major problem is that the work is uneven in development and some units have slackened leadership over party rectification. We should make a careful study of the existing problems and make efforts to solve them.

Referring to some problems that have to be solved, particularly in the present stage of party rectification, he called on the first group of units where party rectification is still in progress to make constant efforts to carry out in-depth rectification and correction. In the phase of rectification and correction, he said, we must combat a slack and weary mood, straighten out our guiding ideology in vocational work, and promote reform in all fields. All departments of offices at the regional level should pay special attention to four points in the current reform. 1) They should vigorously and firmly carry out measures adopted for reform by the party Central Committee, the State Council and the Ningxia Autonomous Region. 2) In cooperation with other relevant units, they should make an investigation and study of what should be reformed in the region, concerning matters on which the party Central Committee and the autonomous region have as yet made no decision. Through the investigation and study, they may put forward a plan to the higher authorities for approval of implementation. 3) In terms of reform, party and government offices should focus efforts on economic reform, improvement of their methods and leadership style, institution of a perfect responsibility system in work, and enhancement of work efficiency. 4) We should have a clear-cut stand in supporting the masses in their initiative to carry out reform and blaze new trails. We should continue to carry out education in thoroughly negating the "Cultural Revolution," getting rid of factionalism, and protecting purity in party spirit.

Education in negating the "Cultural REvolution" should be carried out not only among party members but also workers and staff members as a whole. Further efforts should be made to investigate and handle cases of bureaucratic work methods that have caused heavy losses economically and politically, and cases of seeking personal gains by abusing power and position. This is a major problem which should be resolved in the phase of rectification and correction. If party committees, party groups, and principal responsible persons of departments and units fail to act accordingly, they should be responsible for the consequences. Leading groups should be further consolidated. Organizational departments should help, without delay, a few of the leading groups to solve the problem of laxity in discipline. In consolidating leading groups, the most important work is to build a third echelon of cadres. The quality of rectification and correction should be strictly checked before it is accepted.

The second group of units where party rectification is in progress should resolutely set high and strict demands and standards on themselves in the phase of comparison and examination. In this connection they should stress three things: that is, collective examination rather than personal examination, solving problems of immediate significance and avoiding endless quibbling over matters of the past, and solving problems concerning newly-built leading groups, while summing up experiences of previous leading groups.

In conclusion, Comrade Hao Tingzao emphasized the imperative need to give more leadership to the work of party rectification. The key to ensuring perfect fulfillment of the task for party rectification lies in strengthening party leadership. The regional CPC Committee has decided that its secretaries and members of its Standing Committee will undertake individual responsibility for grasping work of party rectification in different departments. Members of the regional government and members of all party groups should help their secretaries and party committees to grasp the work of party rectification in the departments concerned. Groups for guiding party rectification in various sectors, all departments, and all units should also further strengthen leadership over the work of party rectification, combat the slack mood, and guard against proceeding with party rectification superficially. Proper arrangements should be made for both party rectification and economic work so as not to neglect either. The phase of rectification and correction in the first group of units for party rectification will not change by the end of October or the first half of November pending further arrangements by the Central Commission for Guiding Party Rectification. Most of the second group of units carrying out party rectification should basically complete the phase of comparison and examination by the end of October. Some individual units where party rectification is proceeding very slowly should intensify their activities of party rectification. The work of checking "people of three categories" should be continued. In line with the spirit of the regional meeting for checking "people of three categories," we should organize sufficient personnel to verify materials concerning those who should be dealt with by the organizations concerned in order to make preparations for the next stage of work -- making final decisions on those who should be dealt with by the organizations concerned and re-registering party members. Both the first and the second group of units carrying out party rectification should pay attention to strengthening the building of party organizations, establish and perfect the system of democratic life within the party, and give full play to the role of the party branch as a fighting bastion and the exemplary role of party members as vanguards. Meanwhile, efforts must be made to absorb a number of qualified intellectuals and outstanding young people into the party. In the preceding stage, comrades of liaison groups who were dispatched by the group for guiding party rectification of the regional CPC Committee to various sectors did a lot for the work of party rectification in offices at the regional level. It is hoped that these comrades will make persistent efforts to be make a greater success in their work.

ARTICLE EXAMINES ECONOMIC TRENDS IN TAIWAN

HK280602 Shanghai SHIJIE JINGJI DAobao in Chinese 24 Sep 84 p 11

[Article by Kong Xiangxian: "Taiwan's Economic Trends As Viewed Since Yu Kuo-hua Has Come to Power"]

[Text] In late May this year, Yu Kuo-Hua, previously "director of the economic construction committee" and "president of the Central Bank" of Taiwan, was appointed premier of Taiwan's Executive Yuan in charge of organizing a "financial and economic cabinet." What does this mean?

Chiang Ching-kuo's Personal Financial Controller

Yu Kuo-hua has three characteristics: 1) He is a native of Fenghua and, as Chiang Kai-shek's nephew, he served as a confidential secretary in Chiang's "attendant office." Chiang Ching-kuo also relies heavily on him. In 1979, Chiang Ching-kuo appointed Yu Kuo-hua a member of the "Central Standing Committee" of the KMT, the supreme decision-making organ, and also director of the Central Foundation Committee of the KMT. He is thus considered Chiang Ching-kuo's personal financial controller. 2) Yu Kuo-hua once studied finance and economy as a graduate student at Harvard in the United States and at the London School of Economics and Political Science in Britain. He has held such posts as deputy managing director of the International Reconstruction and Development Bank and the International Monetary Fund, "director of the Central Trust Bureau" of Taiwan, "chairman of the Board of Directors of China Bank," and "financial minister." He is actually a financial and economic expert within the KMT who enjoys seniority and prestige and holds power. 3) He has a conservative style and does everything in a steady manner, never boasting or showing off. As a result of the economic recession in Western countries in recent years, Taiwan has experienced an economic depression. He was very careful in his dealings with interest rates, exchange rates, monetary supply, and the import and export business. He adopted a so-called "following the trend operating" method to control the market; in other words, he adopted adverse measures when the trend of the market ran counter to desires so as to weaken the trend but not change its direction, and follow the trend when the trend of the market conformed to desires, or even prompted the trend when necessary.

"A Sunset Cabinet"

It is thus clear that Yu Kuo-hua was chosen by Chiang Ching-kuo when his worries "were becoming more and more serious." To be more specific: 1) An absolutely reliable "person from the imperial family" was chosen to be the "prime minister," so that when the emperor is dying, he can "entrust his regime" to a "reliable official." 2) Yu's economic talent depended on to "strengthening his position through economic power." 3) A pessimistic view was held about Western economic prospects and Taiwan's ability to deal with the situation and put "veteran officials" of the two dynasties of the Chiang family in important positions, so that Taiwan's economy would not be swamped in the dangerous wave of economic competition between Western countries. Thus, Yu's "cabinet" could be termed a "sunset cabinet."

A Steady Manner Mixed With Voices of Conflict

Based on Yu Kuo-hua's steady style, on "Minister of Economy" Hsu Li-te's change from a dashing spirit to a "plain and smooth style," and on "Minister of Finance" Lu Jun-kang's remarks about "nothing new," Taiwan's economy will develop in a "steady" manner in the future. But a steady manner does not mean all smooth sailing; it is mixed with voices of conflict. This is particularly indicated by the promotion of Chao Yao-tung, nicknamed "Iron Head," as "director of the Economic Construction Committee."

The predecessor of the "Economic Construction Committee" was the "American Aid Committee," which later became the "Economic Cooperation Committee" and then the "Economic Construction Committee." This committee has existed for many years and its function and power have varied from leader to leader. Since Yu Kuo-hua came to power, principal financial and economic cases must first be approved by the committee before being "reported to the Executive Yuan." When disputes arise between "ministries," the committee mediates between them. The committee has thus become a "sub-cabinet" above "ministries and other committees." Chao Yao-tung is proficient in engineering technology and business management and was promoted to "minister of economy" in late 1981. Afterwards, he put forth some new slogans such as "wartime economy," "productive power means money, quality means life," "high technology," and "all for import business, all for industry, all for economy." He made some innovations such as recruiting "black officials" [hei guan 7815 1351], encouraging and awarding tactical industries, promoting the central satellite factory system, importing technology, helping to bring about a plan for investment in the automobile industry, and terminating the import of 1,500 Japanese products. His actions have provided something fresh and new for Taiwan's lifeless official circles.

As Chao Yao-tung himself is a capitalist, he is very much concerned about industrial and commercial circles and "dares to withstand both internal and external pressure." He is also a person who "is ready to make a final sprint in his life" and "fights to the end without regret." Why is he appreciated by Yu and Chiang? This is because: 1) Taiwan authorities need the support from industrial and commercial circles; 2) the way out for Taiwan's economy lies in industrial escalation; and 3) people who are like cornered beasts are indispensable to the "sunset cabinet."

There is No Way To Remove Worry About a Turnover

All in all, the personnel arrangements made by the "sunset cabinet" in the economy are just as Chiang Ching-kuo said: "In order to ensure stability, learn new ideas and styles and seek more effective reforms and progress." The essence of these fine words is: "on the basis of steady action, use a fighting spirit as a means to prevent the economic boat from sinking."

From this people can clearly see the trends of Taiwan's economy: 1) In the so-called "planned free economy," "free" will be further emphasized and restrictive measures will be gradually relaxed in the fields of trade, investment, foreign exchange, and finance. 2) Efforts will be made to bring about industrial escalation and economic transformation so as to promote the upgrading of science and technology, the development of the tactical industry, and the implementation of the central satellite factory system. 3) There will be relaxation of imports, expansion of exports, and diversification of foreign markets. Technological cooperation with the United States will be carried out. Investment will be made in the Caribbean area, to be followed by export of the products to the United States. As a result, the strained relations might be eased. In dealing with Japan, Taiwan will request Japan to make investments and expand exports and will buy some products from Europe instead of Japan. Hence, its relations with Japan will become more strained. The struggle between Taiwan and South Korea for control of the market will become more fierce. Taiwan will attempt to expand its import and export business with Western and Eastern Europe. It will depend less on oil from the Middle East and will take an active part in developing economic relations with developing countries in Asia and Africa as a way to export the whole factory.

Only Reunification With the Motherland Will Provided Bright Prospects for Taiwan

Nevertheless, Taiwan will be unable to rise above its predicament. The great pressure exerted by industrial countries, the low level of competitiveness of Taiwan's traditional exports, the lack of raw materials and energy, and the loss of "a coordination" role and other functions of Chao Yao-tung's "Economic Construction Committee" will be heavy economic wounds. But the most essential point is that Taiwan has no political future. Therefore, only by reunifying with the motherland will Taiwan's economy have bright prospects.

CHINA POST SEES FAILURE FOR MAINLAND'S REFORMS

OW280300 Taipei CHINA POST in English 23 Oct 84 p 4

[Editorial: "Peking's Economic Reforms"]

[Text] The drastic economic reforms announced Saturday by the Chinese Communist Party third plenum will add to the mainland's economic and financial turmoils instead of reducing or eliminating them.

The economic reforms are aimed at dismantling the regime's rigid, socialist planning system and giving wide rein to market forces. They mark Peking's boldest departure from the Communist-style economy of the Soviet Union. They are aimed at boosting production, competition and efficiency especially in industry. They also seek to remedy the present defects of excessive and rigid government control over enterprises and equalitarianism where workers are paid the same wages regardless of their productivity.

The reforms call for a major dismantling of Red China's complex network of price controls with state subsidies. As a result, the prices of many commodities reflect neither their value nor the relations of supply and demand. The state will free price controls of half of state-controlled industrial and agricultural goods to fluctuate with the market demand beginning January 1, 1985. It will, at the same time, remove state subsidies which swallow 50 percent of Red China's budget each year.

Wages are to be increased gradually to offset the inflationary impact of the price reforms. Whether that is possible remains to be seen. Already Western diplomats consider Red China's economic reforms as threatening severe inflation. Since an estimated 75 percent of Red China's economy, in terms of gross national product, will be exempt from mandatory state pricing and output quotas beginning next year, the upheaval can be very serious and wide in scope. It will indeed be a political bombshell which threatens to cause tremendous turmoil throughout the Chinese mainland.

People on the Chinese mainland are already withdrawing their deposits from banks and resort to buying in anticipation of commodity shortages and drastic price rises in the future. They fear that whatever wage increases they might get will not be able to meet the inflationary prices of the goods.

The removal of subsidies to the industries will aggravate the financial situation of those industries. About 15 percent of industries which receive state subsidies are losing money. The removal of subsidies will merely make matters worse.

The removal of subsidies, on the other hand, was made necessary because of the large budgetary deficits which reached nearly 14 billion yuan in 1980 and not much less in 1983. Whether it will achieve the desired objectives remains to be seen.

However, the drastic economic reforms will not greatly reduce economic crimes, corruption and social unrest. It might cause more economic dislocation and social problems. As the document contains a great deal of double talk and Communist lingo, its significance remains to be carefully analysed and concluded. But the thorny problems of economic stagnation, economic crimes and unemployment can hardly be solved by one document in a single stroke.

The adoption of the economic reform document was described by some reports as capitalist reforms. Nothing can be further from the truth. The description is perhaps another way of the Tengist faction to lure the West into providing more aid and assistance to the Peking regime. It will stick to Teng's four insurances of remaining Marxist-Leninist-Communist dictatorship under Peking's tyrannical rule.

In a report to the 12th Party Congress, Hu Yao-pang pledged to quadruple the total output value of mainland industry and agriculture in the next 20 years from over 700 billion yuan in 1980 to 2.8 trillion yuan in the year 2000. The recent economic reform measures were presumably a part of the programs to achieve Hu's objectives. Whether the Chinese people on the mainland would cooperate in the reforms remains to be seen. Judging from their rising anti-Communist attitude, their cooperation with the regime is highly doubtful. The reforms are, therefore, bound to fail.

FOREIGN MINISTER ON MAINLAND'S PEACE OVERTURES

OW280252 Taipei CHINA POST in English 23 Oct 84 p 12

[Text] The Chinese Communists have failed to nullify the Taiwan Relations Act (TRA) and to stop United States arms sales to the Republic of China in spite of their united front tactics, Foreign Minister Fu-sung Chu said yesterday.

Peking has issued a nine-point "peace proposal" as one of its united front tactics aimed at communizing Taiwan, Chu said while speaking to the Overseas Affairs Committee of the Legislative Yuan.

The Communist regime, however, has failed to attain its three goals in the "peace proposal": to nullify the TRA, to stop U.S. arms sales to Taiwan, and to force the Nation into "peace talks," Chu said.

The TRA is a basic law governing U.S. policy toward Taiwan and is respected by both the Democratic and Republican Parties in that country, Chu remarked. He said relations between the two nations have grown steadily, based on the law.

The U.S. is supplying Taiwan with most of its arms needs, except for certain high-performance air fighters and weapons, Chu stated. Annual arms sales reach US\$700-800 million, he added.

The ROC Government has rejected all Peking's proposed "peace talks" which are Communist deceit to communize Taiwan, he said. Chu reiterated the government's firm stand not to negotiate with the Chinese Communists.

CHINA POST ON NAME USED AT SPORTS MEETS

OW280336 Taipei CHINA POST in English 24 Oct 84 p 4

[Editorial: "'Olympic Formula' for Olympics Only"]

[Text] While reporting recently in the Legislative Yuan, Minister of Foreign Affairs Fu-sung Chu declared that the so-called "Olympic formula" is not applicable to any other international activities in which the Republic of China participates. The declaration is clear and admirable, and deserves national support.

The "Olympic formula" refers to the arrangement under which the Republic of China participated in the 1984 Los Angeles Olympic Games as the "Chinese-Taipei" team carrying the Olympic flag, while other participants displayed their national flags.

The formula, Chu explained, was an expedient the nation adopted in one isolated case, and it cannot be applied in any others, especially in international activities at government level.

As the minister observed, the Chinese Communists are trying to isolate the ROC on Taiwan from the international community and to create the false impression that the ROC Government is a local government and Taiwan is a part of Communist China.

In fact the ROC Government is the only legitimate government of China. The presidents and vice presidents of the ROC are elected by the National Assembly, whose members have in turn been elected by the Chinese people. The ROC Constitution was enacted by the National Assembly. The ROC Government, therefore, is the only lawful governing body of China.

The Peking regime on the other hand, has gained power through sheer military force. It has imposed its rule on the people of mainland China without their consent.

Chu said that the ROC adopted the unfair "Olympic formula" to enable the country's athletes to participate in the games. The measure was an expedient dictated by circumstances. Its use does not mean the ROC will accept the same unfair treatment in all circumstances.

This is why the ROC withdrew from the second Asian Junior Volleyball Championships held recently in Riyadh, Saudi Arabia. Our team pulled out due to the Asian Volleyball Federation's [AVF] unfair decision to forbid it to display its national flag at the games.

The AVF's decision was a violation of an agreement reached in Australia during the second Asian Girls Volleyball Championships. This agreement allowed that the host country would raise its flag while other participating nations would not.

The ROC will continue to adopt expedients in order to participate in international activities, Minister Chu declared, adding that these must not conflict with basic national policy nor with the government stand regarding the Chinese Communists.

We believe that the ROC policy, as outlined by Chu, is the best bet under current circumstances. The ROC is determined not to compromise with the Communists, whose peace overtures are a ploy aimed at seizing our island bastion. At the same time, the country will, under terms seen as acceptable, take part in all international activities not only to make the ROC's presence felt but also to demonstrate its growing strength.

DEFENSE MINISTER ON SUBMARINE DEVELOPMENT

OW271032 Taipei LIEN HO PAO in Chinese 25 Oct 84 p 2

[Text] Sung Chang-chih, minister of national defense, said yesterday that the two submarines our country ordered from the Netherlands were under construction as scheduled, and would be completed by September 1986. He further revealed that our government, together with the China Shipbuilding Corporation, would study the possibility of developing our own submarines.

Yesterday, the National Defense Committee of the Legislative Yuan held a closed-door session, at which National Defense Minister Sung Chang-chih was present, along with leaders of his pertinent departments. He gave the above in answer to an interpellation by Legislator Yu Chen Yueh-ying.

SINO-SOVIET TALKS; HU'S VISIT TO ERENHOT EXAMINED

HK280923 Hong Kong HSIN WAN PAO in Chinese 28 Oct 84 p 1

["New Talk" column: "Shenzhen in the South, Erenhot in the North"]

[Text] The day before yesterday, TASS reported on Sino-Soviet relations, Sino-Mongolian relations, and Soviet-Mongolian relations. Yesterday, the XINHUA NEWS AGENCY also reported the same things. They reported the same things at the conclusion of the fifth round of Sino-Soviet talks. Perhaps this is not a mere coincidence.

The fifth round of Sino-Soviet talks was held in Beijing. Ilichev, special envoy and deputy foreign minister of the Soviet Union, personally went to Beijing to hold negotiations with Qian Qichen, vice foreign minister of China, on improving Sino-Soviet relations. According to reports from foreign news agencies in Beijing, no breakthrough was achieved at the talks. However, the XINHUA report does not say this. The XINHUA NEWS AGENCY simply reported that Foreign Minister Wu Xueqian met with Ilichev the day before to "discuss the normalization of Sino-Soviet relations."

It is not strange that no breakthrough was achieved at the talks. At a meeting with foreign guests, Chairman Deng Xiaoping also spoke about Sino-Soviet relations and said that since the Soviet Union had said nothing specific on the three obstacles to Sino-Soviet relations, one could not expect the fifth round of Sino-Soviet relations to make great progress.

However, Chinese leaders have repeatedly said that China is willing to normalize its relations with the Soviet Union and that they look forward to the strengthening of the economic, cultural, and scientific exchanges and the exchanges in the area of physical culture between the two countries. As Sino-Soviet trade has increased notably, the fifth round of Sino-Soviet talks might have further contributed to expanding this area.

What TASS released is, in fact, the speech by Chernenko, the Soviet leader, on the occasion of his welcoming Batmonh, the new Mongolian leader. Batmonh rose to power in August this year, after Tsedenbal, the former Mongolian leader who had been in power for many years, was relieved of his office. He visited the Soviet Union only 2 months after he rose to power.

In his speech, Chernenko said: "The normalization of the relations between the Soviet Union and the PRC will contribute to the healthy development of the situation in Asia." "At a time when the international situation is so tense and when the threat of war is growing, this is even more important." However, on the other hand, he reiterated the Soviet Union's support for the efforts made by the Vietnamese and Lao authorities and the authorities in Phnom Penh to "turn Southeast Asia into a peaceful and stable region."

Batmonh's speech was also ambivalent. On one hand he said Mongolia welcomes the fifth round of Sino-Soviet talks. On the other hand, however, he stated that the withdrawal of Soviet troops from Mongolia "should not be discussed at the Sino-Soviet talks" because it "involves the interests of a third country."

With such an atmosphere, the Soviet Union did not mention the question of Afghanistan at the talks, and stubbornly refused to remove the other two obstacles pointed out by China (the Soviet invasion of Afghanistan, its instigation of Vietnam to invade Kampuchea and to provoke China, and its stationing of massive troops along the Sino-Soviet and Sino-Mongolian border comprising the obstacles).

What the XINHUA NEWS AGENCY did was transmit a report on Hu Yaobang's inspection of the Sino-Mongolian borders in Nei Monggol in September of this year (precisely after Tsedenbal left office). A special dispatch by one of our reporters also touches on this.

According to Hu Yaobang's itinerary, he mainly visited Erenhot, the other end of the Jining-Erenhot railroad, which is situated on the Sino-Mongolian border. Beyond Erenhot is the no-man's land between the two countries. Beyond the no-man's land lies Mongolia.

Speaking to the local cadres, Hu Yaobang stressed the protracted friendship between China and Mongolia. The issues he discussed warrant our attention.

For example, he suggested that the border regions should pursue an open-door policy, that "Erenhot in the north should be like Shenzhen in the south," and that he hoped Erenhot, an opening in the north, would be built into an important city open to the outside world. One can say that is a new idea formed since the 14 coastal cities have been opened to the world.

He also suggested that the oil resources in the Erenhot Basin should be exploited earlier in order to "reap early harvests in gold." The exploitation of oil resources is a long-term project requiring huge financial and material resources and manpower. One cannot go about exploiting oil in the absence of a peaceful environment.

To have "Shenzhen in the south and Erenhot in the north" is to have another opening in the north in addition to the opening in the south. This idea of far-reaching significance can be regarded as a piece of important news. It will certainly arouse the attention of the world's countries.

SHENZHEN TO BUILD EXPORT-ORIENTED AIRCRAFT PLANT

HK300649 Hong Kong WEN WEI PO in Chinese 30 Oct 84 p 1

["Special dispatch" from Shenzhen: "Shenzhen To Set Up Aircraft Manufacturing Plant"]

Text] In order to further step up the development of the Shenzhen Special Economic Zone, the Shenzhen authorities plan to introduce in the near future a \$2-million investment in the manufacture of helicopters and light aircraft. All interested Chinese and foreign investors are welcome to contact the Shenzhen authorities regarding investment.

It is reported that this light aircraft manufacturing project is to be run by the Shenzhen industrial and trade center with the support of the General Administration of Civil Aviation of China. The project will consist of the manufacture of superlight aircraft, light aircraft, and helicopters, as well as aircraft repair services, air transport services, and recreational facilities. Superlight aircraft can be used as sport, tourist, and communications facilities and provide services to agriculture.

The project is expected to produce 500 to 1,000 aircraft a year after it is put into operation. The output will be raised if the products are well received in the market. For the time being, aircraft engines and a small number of component parts are to be imported. The plant will produce superlight aircraft of the Bee-III model in the initial period.

It is planned to build the plant on a 30,000-square meter plot on the east or south side of the Nantou heliport. Established in the form of a joint venture or cooperative project, the plant will be a largely export-oriented enterprise, with 70 percent of its products exported and the rest marketed at home.

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CHINA
HONG KONG MEDIA ON CHINA

THATCHER TO SIGN JOINT DECLARATION IN DECEMBER

HK270400 Hong Kong SOUTH CHINA MORNING POST in English 27 Oct 84 p 1

[By David Healy]

[Text] London, Oct 26 -- The prime minister, Mrs Margaret Thatcher, has decided to fly to Peking and Hong Kong in December to sign the joint declaration, a senior government source confirmed today.

No official announcement can be made about Mrs Thatcher's decision until the agreement has been debated by both the House of Commons and the House of Lords. No date has been fixed for the debate, but it is expected to be around December 10.

Mrs Thatcher has decided on the move because she attaches such importance to the issue. She believes it has been a major triumph for British diplomacy and she wants to do all she can to strengthen relations between Britain and China. In addition, she wants to put her personal authority behind the deal to reassure the people of Hong Kong that Britain is determined to do all it can to make the agreement stick.

The prime minister's trip will not be part of the Southeast Asia tour which she postponed last month because of the strike by British miners. That tour will be reinstated at a later date.

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